

State of Illinois
REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS,
EDGAR, MOULTRIE AND SHELBY COUNTIES
FINANCIAL AUDIT
FOR THE YEAR ENDED JUNE 30, 2011

Performed as Special Assistant Auditors
For the Auditor General, State of Illinois

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

For the Year Ended June 30, 2011

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REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

For the Year Ended June 30, 2011

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REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

AGENCY OFFICIALS

For the Year Ended June 30, 2011

| | |
|---|-------------------------|
| Regional Superintendent (Current, Effective July 1, 2011) | Dr. Bobbi Mattingly |
| Regional Superintendent (Acting, Effective June 1, 2011 through June 30, 2011) | Dr. Bobbi Mattingly |
| Regional Superintendent (Acting, During the Audit Period, Effective January 1, 2011 through May 31, 2011) | Mr. Kevin Van Meter |
| Regional Superintendent (During the Audit Period through December 31, 2010) | Mr. Nik Groothuis |
| Assistant Regional Superintendent (Current, Effective July 1, 2011) | Ms. Michele Lindenmeyer |
| Assistant Regional Superintendent (Acting, During the Audit Period, Effective January 1, 2011 through May 31, 2011) | Dr. Bobbi Mattingly |
| Assistant Regional Superintendent (During the Audit Period through December 31, 2010) | Mr. Kevin Van Meter |

Office is located at:

730 7th Street
Charleston, Illinois 61920

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

FINANCIAL REPORT SUMMARY

For the Year Ended June 30, 2011

The financial audit testing performed during this audit was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

AUDITORS' REPORTS

The auditors' reports do not contain scope limitations, disclaimers or other significant non-standard language.

SUMMARY OF AUDIT FINDINGS

| Number of | This Audit | Prior Audit |
|--|------------|-------------|
| Audit findings | 1 | 1 |
| Repeated audit findings | 1 | 1 |
| Prior recommendations implemented or not repeated | 0 | 0 |

Details of audit findings are presented in a separate report section.

Two additional matters which are less than a significant deficiency or material weakness but more than inconsequential have been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, these issues may have been included as immaterial findings in the auditors' reports.

SUMMARY OF FINDINGS AND RESPONSES

| Item No. | Page | Description | Finding Type |
|--|------|---|-------------------|
| <i>FINDINGS (GOVERNMENT AUDITING STANDARDS)</i> | | | |
| 11-01 | 9 | Controls Over Financial Statement Preparation | Material Weakness |
| <i>PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)</i> | | | |
| None | | | |

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Regional Office of Education #11 personnel at an exit conference on April 5, 2012. Attending from the Regional Office of Education#11 were Bobbi Mattingly, Regional Superintendent, Michele Lindenmeyer, Assistant Regional Superintendent, and Elizabeth Peterson, Bookkeeper. Attending from Doehring, Winders & Co. LLP were Robert Arnholt, CPA, Partner, Larry Nichols, CPA, Principal, and Matthew Clarkson, CPA, Supervisor. Responses to the recommendations were provided by Elizabeth Peterson in an email dated April 4, 2012.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

FINANCIAL STATEMENT REPORT SUMMARY

For the Year Ended June 30, 2011

The audit of the accompanying basic financial statements of the Clark, Coles, Cumberland, Douglas, Edgar, Moultrie and Shelby Counties Regional Office of Education #11 was performed by Doehring, Winders & Co. LLP.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #11's basic financial statements.

DOEHRING, WINDERS & CO. LLP
*Certified Public Accountants
& Business Advisers*
1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61988

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Clark, Coles, Cumberland, Douglas, Edgar, Moultrie and Shelby Counties Regional Office of Education #11, as of and for the year ended June 30, 2011, which collectively comprise the Regional Office of Education #11's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office of Education #11's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Regional Office of Education #11, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Regional Office of Education #11 adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended June 30, 2011. The statement changed the classifications of governmental fund balances and clarified the definitions of existing fund types. The adoption of this statement had no effect on any of the Regional Office of Education #11's governmental funds' assets or liabilities nor was there any effect to the total amount of any of the Regional Office of Education #11's governmental fund balances as of and for the year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2012, on our consideration of the Regional Office of Education #11's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 14-21 and 52 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Office of Education #11's basic financial statements. The combining schedules and individual nonmajor fund financial statements, budgetary comparison schedules and Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Doehring, Winders & Co. LLP

April 13, 2012

DOEHRING, WINDERS & CO. LLP
Certified Public Accountants
& Business Advisers
1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61938

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #11, as of and for the year ended June 30, 2011, which collectively comprise the Regional Office of Education #11's basic financial statements and have issued our report thereon dated April 13, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Regional Office of Education #11 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Regional Office of Education #11's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Regional Office of Education #11's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #11's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified a certain deficiency in internal control over financial reporting that we considered to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in finding 11-01 in the accompanying Schedule of Findings and Responses to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Regional Office of Education #11's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain matters which we have reported to management of the Regional Office of Education #11 in a separate letter dated April 13, 2012.

Regional Office of Education #11's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit Regional Office of Education #11's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, others within the entity, and Illinois State Board of Education, and is not intended to be and should not be used by anyone other than these specified parties.

Doehring, Winders & Co. LLP

April 13, 2012

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified? No
- Noncompliance material to financial statements noted? No

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2011

11-01 Controls Over Financial Statement Preparation (Repeat of Finding 10-01, 09-01, 08-02 and 07-03)

Criteria/specific requirement

The Regional Office of Education #11 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Regional Office of Education #11 does not have sufficient internal controls over the financial reporting process. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenue. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenue, not all entries were made by the Regional Office of Education to reconcile their grant activity, such as posting grant receivables and deferred revenue.
- The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles. This included the Regional Office not recording multiple adjusting entries from the prior year audit.

Effect:

Management or employees in the normal course of performing their assigned functions may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Cause:

According to Regional Office officials, they did not have adequate funding to hire and/or train their accounting personnel in order to comply with these requirements.

Recommendation:

As part of its internal control over the preparation of financial statements, including disclosures, the Regional Office of Education #11 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2011

11-01 Controls Over Financial Statement Preparation (Repeat of Finding 10-01, 09-01, 08-02 and 07-03) (continued)

Management's Response:

The Regional Office of Education #11 feels the circumstance is not unusual for an organization of this size. The Regional Office understands the nature of the finding. At this time the Regional Office cannot fund additional professional accounting costs that would reduce the funds available to provide educational services for the schools in the region. The Regional office of Education #11 is conscious of the degree of risk associated with this condition and will continue to seek ways of eliminating this finding by consulting other ROE's and searching for appropriate training for staff members to ensure that all financial statements, including disclosures, are complete and accurate.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS

For the Year Ended June 30, 2011

Corrective Action Plan

11-01 Controls Over Financial Statement Preparation (Repeat of Finding 10-01, 09-01, 08-02 and 07-03)

Condition:

The Regional Office of Education #11 does not have sufficient internal controls over the financial reporting process. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenue. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenue, not all entries were made by the Regional Office of Education to reconcile their grant activity, such as posting grant receivables and deferred revenue.
- The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles. This included the Regional Office not recording multiple adjusting entries from the prior year audit.

Plan:

The Regional Office of Education #11 feels the circumstance is not unusual for an organization of this size. The Regional Office understands the nature of the finding. At this time the Regional Office cannot fund additional professional accounting costs that would reduce the funds available to provide educational services for the schools in the region. The Regional office of Education #11 is conscious of the degree of risk associated with this condition and will continue to seek ways of eliminating this finding by consulting other ROE's and searching for appropriate training for staff members to ensure that all financial statements, including disclosures, are complete and accurate.

Anticipated Date of Completion:

Not Determined

Name of Contact Person:

Bobbi Mattingly, Regional Superintendent of Schools

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2011

| <u>Finding Number</u> | <u>Condition</u> | <u>Current Status</u> |
|------------------------------|---|------------------------------|
| 10-01 | Controls Over Financial Statement Preparation | Repeated as 11-01 |

MANAGEMENT'S DISCUSSION AND ANALYSIS

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2011

The Regional Office of Education #11 for the Counties of Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2011. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements which follow.

Financial Highlights

- Within the Governmental Funds, the General Fund balance decreased from \$475,282 in FY 10 to \$466,893 in FY 11, and the Education Fund balance increased from \$(103,544) to \$(10,995).
- Within the Proprietary Fund, Total Net Assets increased from \$209,468 to \$250,382.

Using This Report

This annual report consists of a series of financial statements and other information, as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office's financial activities.
- The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the Regional Office of Education as a whole and present an overall view of the Office's finances.
- The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Regional Office's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the financial statements provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements and supplementary information provides detailed information about the General Fund, the Education Fund, and the Non-major Fund.
- During fiscal year 2011 the Regional Office of Education #11 implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which required certain funds to be reclassified as detailed in Note 15 to the financial statements. Because of these reclassifications the fund analysis is not comparable between fiscal year 2010 and fiscal year 2011.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2011

Reporting the Office as a Whole

The Statement of Net Assets and the Statement of Activities

The government-wide statements report information about the Regional Office of Education #11 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the Office's assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the Office's net assets and how they have changed. Net assets, the difference between the assets and liabilities, are one way to measure the Office's financial health or position.

- Over time, increases or decreases in the net assets can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Regional Office's overall health, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the state level need to be considered.

In the government-wide financial statements, the Regional Office of Education #11's activities are divided into two categories.

- Governmental activities: Most of the Regional Office of Education #11's basic services are included here, such as local, State, and federal grant-funded programs, support services, and administration.
- Business-type activities: The Regional Office of Education #11 charges fees to help cover costs of certain services and workshops it provides.

The fund financial statements provide detailed information about the Regional Office's funds, focusing on its most significant or "major" funds – not the Regional Office of Education as a whole. Funds are accounting devices that allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by state law. The Regional Office of Education #11 established other funds to control and manage money for particular purposes.

The Regional Office of Education #11 has the following types of funds:

1. Governmental funds account for all of the Office's services. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Office's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, a reconciliation between the governmental fund financial statements and the government-wide financial statements follow each of the related governmental fund financial statements. The Office's governmental funds include the General Fund and the Special Revenue Funds. The governmental fund required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2011

Reporting the Office as a Whole (continued)

2. The Proprietary Fund is used to account for registration fees for workshops and other services sponsored by the Regional Office of Education #11. The Proprietary Fund's required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses, Changes in Fund Net Assets, and Statement of Cash Flows.
3. Fiduciary funds are used to account for assets held by the Regional Office of Education #11 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds required financial statements include a Statement of Fiduciary Net Assets. The Regional Office of Education #11 excludes these assets from the government-wide financial statements because it cannot use these assets to finance its operations.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the financial position. The Regional Office's governmental activities net assets at the end of FY 11 totaled \$602,698. This compared to \$630,625 at the end of FY 10. The analysis that follows provides a summary of the Office's net assets at June 30, 2011 and June 30, 2010 for the governmental and business-type activities.

Condensed Statement of Net Assets
Governmental Activities

| | 2011 | 2010 | Increase/ (Decrease) |
|--|--------------|------------|-------------------------|
| Current assets | \$ 1,276,493 | \$ 783,325 | \$ 493,168 |
| Capital assets, being depreciated, net | 2,411 | 3,175 | (764) |
| Total assets | 1,278,904 | 786,500 | 492,404 |
| Current liabilities | 676,206 | 155,875 | 520,331 |
| Net assets: | | | |
| Invested in capital assets | 2,411 | 3,175 | (764) |
| Restricted for educational purposes | 123,546 | 93,489 | 30,057 |
| Unrestricted | 476,741 | 533,961 | (57,220) |
| Total net assets | \$ 602,698 | \$ 630,625 | \$ (27,927) |

The Regional Office of Education's governmental Net Assets decreased from \$630,625 to \$602,698. Cash and cash equivalents made up the majority of current assets. In addition, net assets for educational purposes are considered restricted.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2011

Government-Wide Financial Analysis (continued)

**Condensed Statement of Net Assets
Business-Type Activities**

| | 2011 | 2010 | Increase/ (Decrease) |
|--|-------------------|-------------------|-------------------------|
| Current assets | \$ 245,204 | \$ 201,966 | \$ 43,238 |
| Capital assets, being depreciated, net | 5,178 | 7,502 | (2,324) |
| Total assets | <u>\$ 250,382</u> | <u>\$ 209,468</u> | <u>\$ 40,914</u> |
| Net assets: | | | |
| Invested in capital assets | 5,178 | 7,502 | (2,324) |
| Restricted for local workshops | - | 3,600 | (3,600) |
| Unrestricted | <u>245,204</u> | <u>198,366</u> | <u>46,838</u> |
| Total net assets | <u>\$ 250,382</u> | <u>\$ 209,468</u> | <u>\$ 40,914</u> |

The Regional Office of Education #11 uses its business-type net assets to provide workshops and training services to school districts in the Region. The increase in total net assets was primarily due to having net transfers into the fund during FY11, including a \$50,000 certificate of deposit that was transferred from the ROE/ISC Operations program.

The following analysis shows the changes in net assets for governmental and business-type activities for the years ended June 30, 2011 and June 30, 2010.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2011

Government-Wide Financial Analysis (continued)

Statement of Activities
Governmental Activities

| | 2011 | 2010 | Increase/ (Decrease) |
|---------------------------------------|-------------------|-------------------|-------------------------|
| Revenues: | | | |
| Program revenues: | | | |
| Operating grants and contributions | \$ 2,299,622 | \$ 837,082 | \$ 1,462,540 |
| General revenues | | | |
| Local sources | 405,369 | 419,448 | (14,079) |
| State sources | 862,392 | 679,595 | 182,797 |
| Federal sources | - | 41,905 | (41,905) |
| On-behalf payment | 417,817 | 430,757 | (12,940) |
| Investment earnings | 2,189 | 16,719 | (14,530) |
| | <u>3,987,389</u> | <u>2,425,506</u> | <u>1,561,883</u> |
| Expenses: | | | |
| Program expenses: | | | |
| Instructional services | | | |
| Salaries and benefits | 1,099,047 | 1,124,192 | (25,145) |
| Purchased services | 330,266 | 355,602 | (25,336) |
| Supplies and materials | 78,966 | 65,849 | 13,117 |
| Depreciation expense | 2,549 | 2,404 | 145 |
| Payments to other governments | 2,007,822 | 343,946 | 1,663,876 |
| Other objects | 13,712 | 10,808 | 2,904 |
| Administrative expenses: | | | |
| On-behalf payments - state | 417,817 | 430,757 | (12,940) |
| | <u>3,950,179</u> | <u>2,333,558</u> | <u>1,616,621</u> |
| Change in net assets before transfers | 37,210 | 91,948 | (54,738) |
| Transfers in (out) | <u>(65,137)</u> | <u>47,229</u> | <u>(112,366)</u> |
| Change in net assets | (27,927) | 139,177 | (167,104) |
| Net assets - beginning | <u>630,625</u> | <u>491,448</u> | <u>139,177</u> |
| Net assets - ending | <u>\$ 602,698</u> | <u>\$ 630,625</u> | <u>\$ (27,927)</u> |

Revenues for governmental activities were \$3,987,389 and expenses were \$3,950,179. The increase in total revenue is due to several factors. During FY11, the Regional Office of Education was the Fiscal Agent for the Early Childhood Grant of \$1,627,560 which was a flow through grant to Eastern Illinois Area Special Education. The office also received a grant for \$100,000 for State System of Support however other grant fundings decreased substantially (e.g. ROE/ISC Operations, Regional Safe Schools, Truants Alternative/Optional Education).

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2011

Government-Wide Financial Analysis (continued)

**Statement of Revenue, Expenses, and Changes in Fund Net Assets
Business-Type Activities**

| | 2011 | 2010 | Increase/ (Decrease) |
|--|-------------------|-------------------|-------------------------|
| Revenues: | | | |
| Program revenues: | | | |
| Charges for services | \$ 147,553 | \$ 157,030 | \$ (9,477) |
| General revenues | | | |
| Investment earnings | 918 | 503 | 415 |
| Total revenues | <u>148,471</u> | <u>157,533</u> | <u>(9,062)</u> |
| Expenses: | | | |
| Salaries and benefits | 62,318 | 33,571 | 28,747 |
| Purchased services | 88,661 | 71,502 | 17,159 |
| Supplies and materials | 17,942 | 10,679 | 7,263 |
| Depreciation expense | 2,324 | 7,028 | (4,704) |
| Dues and fees | 250 | 293 | (43) |
| Other | 1,199 | 434 | 765 |
| Total expenses | <u>172,694</u> | <u>123,507</u> | <u>49,187</u> |
| Change in net assets before transfers and contributions | (24,223) | 34,026 | (58,249) |
| Transfers in (out) | 65,137 | (47,229) | 112,366 |
| Capital donations | - | 9,826 | (9,826) |
| Change in net assets | 40,914 | (3,377) | 44,291 |
| Net assets - beginning | <u>209,468</u> | <u>212,845</u> | <u>(3,377)</u> |
| Net assets - ending | <u>\$ 250,382</u> | <u>\$ 209,468</u> | <u>\$ 40,914</u> |

Revenues for the business-type activities were \$148,471 and expenses were \$172,694. Net transfers into the fund were \$65,137. These factors resulted in an overall increase in total net assets of \$40,914.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2011

Financial Highlights of the Regional Office of Education #11 Funds

As previously noted, the Regional Office of Education #11 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund Highlights:

- The return on investments (certificates of deposit, short term investments, and interest earned on float), were decreased because of the decrease in interest rates.
- County support for the Regional Office of Education #11 decreased to \$273,050 due to stress on county budgets.
- There was level funding in the state aid of \$6,119 per student. Other grant funds decreased as follows: The ROE/ISC Operations grant decreased from \$72,675 to \$66,158: The Regional Safe Schools grant decreased from \$199,702 to \$117,136: The Truants Alternative/Optional Education grant decreased from \$112,007 to \$89,930.
- Professional Development Consortium - Local Workshops of fourteen school districts generated \$116,414.
- The Technology conference generated registration and vendor fees.

Proprietary Fund Highlights:

The Regional Office of Education #11's Local Workshop Fund operated at a loss in FY 11. The decrease in revenue was due to not receiving a locally gifted grant during FY11 for \$8,000 that was received in FY10. The increase in expenditures is due to more salaries being paid out of the fund as a result of decreased funding of the ROE/ISC Operations program.

Budgetary Highlights:

The Regional Office of Education #11 annually adopts budgets although not legally required to do so. All grant budgets are prepared by the Regional Office of Education #11 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Schedules showing the budget amounts compared to the Office's actual financial activity are included in the supplementary information of this report.

Capital Assets

There were no material changes in fixed assets from the previous year.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2011

Financial Highlights of the Regional Office of Education #11 Funds (continued)

Economic Factors and Next Year's Budget

At the time these financial statements were prepared and audited, the Regional Office was aware of several existing circumstances that could affect its financial health in the future.

- The State of Illinois Foundation level used in the calculation of State Aid stayed the same at \$6,119 per student for FY 12, but was only funded at 95% of per student amount.
- The interest rate on investments remains low.
- Several grants have decreased from previous levels.
- The State of Illinois funding for most programs has been delayed.
- County Board support of the Regional Office of Education #11 will remain the same for the next fiscal year.
- The Professional Development Consortium - Local Workshops includes fourteen school districts and will decrease to \$45,630 due to a decrease in the number of schools participating, and the State of Illinois support for professional development activities will decrease from \$66,168 to \$32,889.

Contacting the Regional Office's Financial Management

This financial report is designed to provide the Regional Offices' citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent of the Regional Office of Education #11 at 730 7th Street, Charleston, IL 61920.

BASIC FINANCIAL STATEMENTS

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

STATEMENT OF NET ASSETS

June 30, 2011

| | Primary Government | | Total |
|---|----------------------------|-----------------------------|-------------------|
| | Governmental Activities | Business-Type Activities | |
| Assets | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ 479,888 | \$ 102,899 | \$ 582,787 |
| Investments | 120,405 | 62,112 | 182,517 |
| Prepaid expenses | - | 1,644 | 1,644 |
| Due from others | 108 | - | 108 |
| Due from other governments: | | | |
| Local | 5,959 | 4,776 | 10,735 |
| State | 743,906 | - | 743,906 |
| Due from (to) other funds | (73,773) | 73,773 | - |
| Total Current Assets | 1,276,493 | 245,204 | 1,521,697 |
| Noncurrent Assets: | | | |
| Capital assets, net of depreciation | 2,411 | 5,178 | 7,589 |
| Total Noncurrent Assets | 2,411 | 5,178 | 7,589 |
| Total Assets | 1,278,904 | 250,382 | 1,529,286 |
| Liabilities | | | |
| Current Liabilities: | | | |
| Accounts payable | 15,044 | - | 15,044 |
| Payroll liabilities | 67,442 | - | 67,442 |
| Due to other governments: | | | |
| Local | 584,618 | - | 584,618 |
| State | 768 | - | 768 |
| Deferred revenue | 8,334 | - | 8,334 |
| Total Current Liabilities | 676,206 | - | 676,206 |
| Net Assets | | | |
| Invested in capital assets, net of related debt | 2,411 | 5,178 | 7,589 |
| Restricted for educational purposes | 123,546 | - | 123,546 |
| Unrestricted | 476,741 | 245,204 | 721,945 |
| Total Net Assets | \$ 602,698 | \$ 250,382 | \$ 853,080 |

The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2011

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Assets | | |
|--------------------------------------|---------------------|-------------------------|--|--|-----------------------------|--------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | |
| | | | | Governmental Activities | Business-Type Activities | Total |
| Primary Government: | | | | | | |
| Governmental Activities: | | | | | | |
| Instructional Services: | | | | | | |
| Salaries and benefits | \$ 1,099,047 | \$ - | \$ 560,523 | \$ - | \$ (538,524) | \$ (538,524) |
| Purchased services | 330,266 | - | 68,122 | - | (262,144) | (262,144) |
| Supplies and materials | 78,966 | - | 45,408 | - | (33,558) | (33,558) |
| Other objects | 13,712 | - | - | - | (13,712) | (13,712) |
| Depreciation expense | 2,549 | - | - | - | (2,549) | (2,549) |
| Payments to other governments | 2,007,822 | - | 1,625,569 | - | (382,253) | (382,253) |
| Administrative: | | | | | | |
| On-behalf payments - state | 417,817 | - | - | - | (417,817) | (417,817) |
| Total governmental activities | <u>3,950,179</u> | <u>-</u> | <u>2,299,622</u> | <u>-</u> | <u>(1,650,557)</u> | <u>(1,650,557)</u> |
| Business-type activities | | | | | | |
| Registration fees | 170,370 | 147,553 | - | - | (22,817) | (22,817) |
| Depreciation | 2,324 | - | - | - | (2,324) | (2,324) |
| Total business-type activities | <u>172,694</u> | <u>147,553</u> | <u>-</u> | <u>-</u> | <u>(25,141)</u> | <u>(25,141)</u> |
| Total primary government | <u>\$ 4,122,873</u> | <u>\$ 147,553</u> | <u>\$ 2,299,622</u> | <u>\$ -</u> | <u>(1,650,557)</u> | <u>(1,675,698)</u> |
| General Revenues: | | | | | | |
| Local sources | | | | 405,369 | - | 405,369 |
| State sources | | | | 862,392 | - | 862,392 |
| On-behalf payments | | | | 417,817 | - | 417,817 |
| Investment earnings | | | | 2,189 | 918 | 3,107 |
| Transfers | | | | (65,137) | 65,137 | - |
| Total general revenues and transfers | | | | <u>1,622,630</u> | <u>66,055</u> | <u>1,688,685</u> |
| Change in net assets | | | | (27,927) | 40,914 | 12,987 |
| Net assets - beginning | | | | 630,625 | 209,468 | 840,093 |
| Net assets - ending | | | | <u>\$ 602,698</u> | <u>\$ 250,382</u> | <u>\$ 853,080</u> |

The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2011

| | General Fund | Education Fund | Other Nonmajor Funds | Eliminations | Total Governmental Funds |
|--|-------------------|-------------------|----------------------------|---------------------|--------------------------------|
| Assets: | | | | | |
| Cash and cash equivalents | \$ 329,473 | \$ 33,282 | \$ 117,133 | \$ - | \$ 479,888 |
| Investments | 103,142 | 17,263 | - | - | 120,405 |
| Due from others | - | - | 108 | - | 108 |
| Due from other funds | 118,709 | - | - | (118,709) | - |
| Due from other governments | | | | | |
| Local | 2,077 | 3,870 | 12 | - | 5,959 |
| State | 777 | 743,129 | - | - | 743,906 |
| Total assets | <u>\$ 554,178</u> | <u>\$ 797,544</u> | <u>\$ 117,253</u> | <u>\$ (118,709)</u> | <u>\$ 1,350,266</u> |
| Liabilities and fund balance (deficit): | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 15,044 | \$ - | \$ - | \$ - | \$ 15,044 |
| Payroll liabilities | 44,297 | 23,145 | - | - | 67,442 |
| Due to other funds | - | 192,482 | - | (118,709) | 73,773 |
| Due to other governments | | | | | |
| Local | 27,944 | 554,690 | 1,984 | - | 584,618 |
| State | - | 768 | - | - | 768 |
| Deferred revenue | - | 37,454 | - | - | 37,454 |
| Total liabilities | <u>87,285</u> | <u>808,539</u> | <u>1,984</u> | <u>(118,709)</u> | <u>779,099</u> |
| Fund Balance (Deficit): | | | | | |
| Restricted | - | 861 | 115,269 | - | 116,130 |
| Assigned | 386,049 | 9,848 | - | - | 395,897 |
| Unassigned | 80,844 | (21,704) | - | - | 59,140 |
| Total fund balance (deficit) | <u>466,893</u> | <u>(10,995)</u> | <u>115,269</u> | <u>-</u> | <u>571,167</u> |
| Total liabilities and fund balance (deficit) | <u>\$ 554,178</u> | <u>\$ 797,544</u> | <u>\$ 117,253</u> | <u>\$ (118,709)</u> | <u>\$ 1,350,266</u> |

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The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS

June 30, 2011

| | | |
|---|----|-----------------------|
| Total Fund balances - governmental funds | \$ | 571,167 |
| Amounts reported for governmental activities in the Statement of Net Assets are different because: | | |
| Because some revenues will not be collected for several months after the Regional Office fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. | | 29,120 |
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. | | <u>2,411</u> |
| Net assets of governmental activities | \$ | <u><u>602,698</u></u> |

The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2011

| | General Fund | Education Fund | Other Nonmajor Funds | Eliminations | Total Governmental Funds |
|--|-------------------|--------------------|----------------------------|--------------|--------------------------------|
| Revenues: | | | | | |
| Local sources | \$ 307,574 | \$ 44,470 | \$ 53,325 | \$ - | \$ 405,369 |
| State sources | 863,279 | 2,090,336 | 1,375 | - | 2,954,990 |
| State sources- payments made on behalf of region | 417,817 | - | - | - | 417,817 |
| Federal sources | 69,395 | 254,885 | - | - | 324,280 |
| Total Revenues | <u>1,658,065</u> | <u>2,389,691</u> | <u>54,700</u> | <u>-</u> | <u>4,102,456</u> |
| Expenditures: | | | | | |
| Instructional services | | | | | |
| Salaries and benefits | 604,100 | 485,402 | 9,545 | - | 1,099,047 |
| Purchased services | 234,333 | 68,204 | 27,729 | - | 330,266 |
| Supplies and materials | 30,041 | 45,464 | 3,461 | - | 78,966 |
| Other objects | 9,337 | - | 4,375 | - | 13,712 |
| Payments to other governments | 335,792 | 1,672,030 | - | - | 2,007,822 |
| Payments made on behalf of region | 417,817 | - | - | - | 417,817 |
| Capital outlay | 1,785 | - | - | - | 1,785 |
| Total expenditures | <u>1,633,205</u> | <u>2,271,100</u> | <u>45,110</u> | <u>-</u> | <u>3,949,415</u> |
| Excess of revenues over expenditures | <u>24,860</u> | <u>118,591</u> | <u>9,590</u> | <u>-</u> | <u>153,041</u> |
| Other financing sources (uses): | | | | | |
| Transfers in | 689 | - | - | (689) | - |
| Transfers out | (10) | (62,010) | (3,806) | 689 | (65,137) |
| Interest | 1,812 | 228 | 149 | - | 2,189 |
| Total other financing sources (uses) | <u>2,491</u> | <u>(61,782)</u> | <u>(3,657)</u> | <u>-</u> | <u>(62,948)</u> |
| Net change in fund balances | 27,351 | 56,809 | 5,933 | - | 90,093 |
| Fund balance (deficit) - beginning (Restated - See note 15) | <u>439,542</u> | <u>(67,804)</u> | <u>109,336</u> | <u>-</u> | <u>481,074</u> |
| Fund balance (deficit) - ending | <u>\$ 466,893</u> | <u>\$ (10,995)</u> | <u>\$ 115,269</u> | <u>\$ -</u> | <u>\$ 571,167</u> |

The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

| | | | |
|---|--|------------------|---------------------------|
| Net change in fund balances | | \$ | 90,093 |
| <p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> | | | |
| <p>Because some revenues will not be collected for several months after the Regional Office fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.</p> | | | |
| Reported in the funds - current year | | \$ 29,120 | |
| Reported in the funds - prior year | | <u>(146,376)</u> | (117,256) |
| <p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p> | | | |
| Capital outlay | | \$ 1,785 | |
| Depreciation | | <u>(2,549)</u> | <u>(764)</u> |
| Change in net assets of governmental activities | | | <u><u>\$ (27,927)</u></u> |

The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

JUNE 30, 2011

| | Business-Type Activities- Enterprise Funds |
|---|---|
| | Local Workshops |
| Assets: | |
| Current assets: | |
| Cash and cash equivalents | \$ 102,899 |
| Investments | 62,112 |
| Prepaid expenses | 1,644 |
| Due from other funds | 73,773 |
| Due from other governments | |
| Local | 4,776 |
| Total current assets | 245,204 |
| Noncurrent assets: | |
| Capital assets, being depreciated, net | 5,178 |
| Total noncurrent assets | 5,178 |
| Total assets | \$ 250,382 |
| Net assets: | |
| Invested in capital assets, net of related debt | \$ 5,178 |
| Unrestricted | 245,204 |
| Total net assets | \$ 250,382 |

The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS

For the Year Ended June 30, 2011

| | Business-Type Activities - Enterprise Funds |
|--|--|
| | Local Workshops |
| Operating revenues: | |
| Local sources | \$ 147,553 |
| Total operating revenues | 147,553 |
| Operating expenses: | |
| Salaries and benefits | 62,318 |
| Purchased services | 88,661 |
| Supplies and materials | 17,942 |
| Dues and fees | 250 |
| Other | 1,199 |
| Depreciation | 2,324 |
| Total operating expenses | 172,694 |
| Operating income (loss) | (25,141) |
| Nonoperating revenues: | |
| Interest income | 918 |
| Total nonoperating revenue | 918 |
| Income (loss) before transfers and contributions | (24,223) |
| Transfers in | 121,037 |
| Transfers out | (55,900) |
| Change in net assets | 40,914 |
| Total net assets - beginning | 209,468 |
| Total net assets - ending | \$ 250,382 |

The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2011

| | Business-Type Activities- Enterprise Funds |
|---|---|
| | Local Workshops |
| Cash flows from operating activities: | |
| Workshop receipts | \$ 142,777 |
| Payments to suppliers and providers of goods and services | (108,061) |
| Payments to employees | (62,318) |
| Net cash (used for) operating activities | (27,602) |
| Cash flows from noncapital financing activities: | |
| Advances to other funds | (14,125) |
| Cash transfers from other funds | 121,037 |
| Cash transfers to other funds | (55,900) |
| Net cash provided by noncapital financing activities | 51,012 |
| Cash flows from investing activities: | |
| Purchase of investments | (62,112) |
| Interest received on investments | 918 |
| Net cash (used for) investing activities | (61,194) |
| Net (decrease) in cash and cash equivalents | (37,784) |
| Cash and cash equivalents - beginning | 140,683 |
| Cash and cash equivalents - ending | \$ 102,899 |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | |
| Operating income (loss) | \$ (25,141) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | |
| Depreciation | 2,324 |
| (Increase) in due from other governments | (4,776) |
| (Increase) in prepaid expense | (9) |
| Net cash (used for) operating activities | \$ (27,602) |

The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2011

| | <u>Agency Funds</u> |
|----------------------------|-----------------------------|
| Assets | |
| Accounts receivable | \$ 513 |
| Due from other governments | <u>4,591,094</u> |
| Total Assets | <u>\$ 4,591,607</u> |
| Liabilities | |
| Cash overdraft | \$ 513 |
| Due to other governments | <u>4,591,094</u> |
| Total Liabilities | <u>\$ 4,591,607</u> |

The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #11 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2011, the Regional Office of Education #11 implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, GASB Statement No. 59, *Financial Instruments Omnibus*, and GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Regional Office of Education #11 implemented these standards during the current year; however, GASB Statements No. 59 and 62 had no impact on the financial statements. The implementation of GASB Statement No. 54 changed fund balance reporting for governmental funds by adding some additional fund balance classifications, clarifying governmental fund type definitions, and providing additional disclosures on how fund balance constraints are imposed and may be modified or eliminated.

FINANCIAL REPORTING ENTITY

The Regional Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teachers meetings and assist in their management; evaluate the schools in the region; examine evidence of indebtedness; file and keep the returns of elections required to be returned to the Regional Superintendent's office; and file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #11's districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; performing and reporting on annual building inspections; investigating bus drivers for valid bus driver permits and taking related action as may be required; maintaining a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

The Regional Superintendent is responsible for inspection and approval or rejection of school treasurer's bonds. The Regional Superintendent is also required to provide the State Board of Education with an affidavit showing that the treasurers of school districts within his region are properly bonded.

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the region, or seeing that no payments are made unless the treasurer has filed or renewed the appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2011, the Regional Office of Education #11 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #11. Such activities are reported as a single major special revenue fund (i.e. within the Education Fund).

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #11 reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #11 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Regional Office of Education #11, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education #11 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #11 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #11 is not aware of any entity which would exercise such oversight as to result in the Regional Office of Education #11 being considered a component unit of the entity.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #11's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education #11 has one business-type activity that relies on fees and charges for support.

The Regional Office of Education #11's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education #11 accompanied by a total column. These statements are presented on an "economic resources" measurement as prescribed by GASB Statement No. 34. All of the Regional Office of Education #11's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services, and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and proprietary fund Statement of Net Assets and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Assets. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. All internal balances in the Statement of Net Assets have been eliminated. The purpose of interfund borrowing and permanent transfers is to cover temporary or permanent shortfalls in cash flow within grant programs and funds.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the government-wide financial statements.

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles on the modified accrual basis. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual i.e., when both measurable and available. Available means collectible within the current period, typically 60 days, or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for prepaid expenses, and other long-term obligations, which are recognized when paid. Revenue received after the Regional Office's availability period is reported as deferred revenue in the fund statements and is reported as current revenue in the Statement of Activities.

PROPRIETARY FUND FINANCIAL STATEMENTS

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and nonmajor funds aggregated.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

The governmental funds financial statements focus on the measurement of spending or "financial flow" and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #11; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Under the terms of grant agreements, Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby Counties Regional Office of Education #11 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby Counties Regional Office of Education #11's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues. For unrestricted fund balance, committed funds are used first, then assigned funds, then unassigned, if any.

FUND ACCOUNTING

The Regional Office of Education #11 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education #11 uses governmental, proprietary, and fiduciary funds.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are reported. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as a fund balance.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education #11 has presented all major funds that met the above qualifications.

The Regional Office of Education #11 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education #11. It is used to account for and report all financial resources in the region except those required to be accounted and reported for in other funds. General Funds include the following:

County Support - This fund is used to account for financial resources except those required to be accounted for in other funds.

Direct Service - This fund is used to account for interest that is earned on deposits in the Distributive Fund's interest-bearing checking account. General state aid funds were also deposited to assist with purchased services and other expenses paid from this fund. Funds for fingerprinting and shared services are accounted for in this fund.

Youth Services - This program accounts for the general state aid, Lake Land Pathways and non grant expenditures for the Truancy Program and Regional Safe Schools Program which are youth service activities.

Major Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are restricted to expenditures for specified purposes. Major special revenue funds include the following:

Education Fund – The fund is used to account for and report the proceeds of specific revenue sources that are restricted by grant agreements or contracts to expenditures for specified purposes supporting education enhancement programs as follows:

Early Childhood - This program accounts for the proceeds of the Early Childhood Block Grant expended for programs supporting pre-school at risk children.

Pathways - This program accounts for money received from local districts to provide services for the districts' 16-21 year old drop out students. The Region subcontracts Lake Land College to provide the services.

Gifted - This state grant trains teachers to work with highly intelligent students.

Homeless - This program accounts for federal funds expended to facilitate the educational success of homeless children and youths.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Illinois Violence Prevention Authority - This program accounts for State funds received to develop and implement the operation of violence prevention activities in Regional Office of Education #11.

Truants Alternative/Optional Education - This program accounts for the proceeds from State grants expended under a program to reduce student truancy.

Regional Safe Schools - This program accounts for the proceeds from the Regional Safe Schools monies. The program concentrates on the education of students who have been expelled from the school districts served by Regional Office of Education #11.

ROE/ISC Operations - This fund accounts for the grant monies received for and in payment of expenditures for assisting schools in all areas of school improvement.

Title I - Reading First - This federal program focuses on putting proven methods of early reading instruction in classroom.

Title II – Teacher Quality - The program provides funding to support academic achievement of all students by helping schools to improve teacher and principal quality.

Title II - Teacher Quality - Leadership - This fund is used to account for a federal grant used to provide professional development services to all schools that failed to make adequate yearly progress on Illinois Standards Achievement Test scores.

Area IV - System of Support - This program was formed to assist area schools and districts within six regional offices in Area IV with systematic and sustainable improvement efforts.

American Recovery and Reinvestment Act (ARRA) - Education Jobs Fund Program – To account for federal funding passed through the State to provide assistance to save or create education jobs for the 2010-2011 school year.

The Regional Office of Education #11 reports the following nonmajor governmental funds:

Nonmajor Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are legally restricted to expenditures for specified purposes. Nonmajor special revenue funds include the following:

Institute Fund - This fund accounts for fees from registrations. These funds are used to help pay certain administrative expenses incurred to conduct workshops and for general meetings with teachers and other school personnel. All funds generated remain restricted until expended only on the aforementioned activities.

General Education Development Fund (GED) – This fund accounts for proceeds earned from students who pay to participate in the high school equivalency program. These proceeds are used to pay administrative expenses incurred to administer the GED program.

Bus Driver Training – This fund accounts for the fees charged for annual training courses. Proceeds from these fees are used to pay administrative expenses incurred pertaining to the program.

Supervisory Fund - This fund accounts for proceeds provided to the Regional Superintendent by the Illinois State Board of Education to be used for travel and related expenses.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUND

Proprietary Funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education #11 on a cost reimbursement basis are reported.

The Regional Office of Education #11 reports the following proprietary fund:

Local Workshops – The local workshops fund is used to account for the workshop registration fees and expenses related to workshops sponsored by the Regional Office of Education #11.

FIDUCIARY FUND

Agency Funds - Agency Funds are used to account for assets held by the Regional Office of Education #11 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Regional Office of Education #11's Agency Funds include the following:

Distributive Fund - This fund accounts for the proceeds apportioned to the Region that in turn distributes the proceeds to the member school districts.

Regional Trustee Fund - This fund accounts for the proceeds from the sale of school properties, royalties, and other receipts by the Superintendent that are forwarded to school districts. It is also used to account for detachment request fees received from landowners. The remainder of fees after expenses of the detachment hearing are returned to the landowner.

Interest on Distributive Fund - Interest on the distributive fund is transferred semi-annually to the Direct Service Fund.

GOVERNMENTAL FUND BALANCES

Fund Balance is the difference between assets and liabilities in a Governmental Fund. The following types of fund balances may be presented in the Governmental Funds Balance Sheet and Governmental Funds Combining Schedule of Accounts:

Nonspendable Fund Balance – The portion of a Governmental Fund's net assets that are not available to be spent, either short term or long term, in either form or through legal restrictions. There were no accounts presenting a nonspendable fund balance.

Restricted Fund Balance – The portion of a Governmental Fund's net assets that are subject to external enforceable legal restrictions. The following accounts' fund balances are restricted by grant agreements or contracts: Early Childhood, Pathways, Gifted, Homeless, Illinois Violence Prevention Authority, Truants Alternative/ Optional Education, Regional Safe Schools, ROE/ISC Operations, Title I - Reading First, Title II - Teacher Quality Leadership, Title II - Teacher Quality, Area IV - System of Support, and ARRA Education Jobs Fund Program. The following funds are restricted by Illinois Statute: Institute, General Education Development, Bus Driver Training, and Supervisory.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUND BALANCES (Continued)

Committed Fund Balance – The portion of a Governmental Fund's net assets with self-imposed constraints or limitations that have been placed at the highest level of decision making. There are no accounts presenting a committed fund balance.

Assigned Fund Balance – The portion of a Governmental Fund's net assets to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following accounts' fund balances are assigned: County Support and Youth Services.

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is in the Direct Services Fund. Special revenue funds that present a deficit balance have also been reported as unassigned. These funds include Truants Alternative/ Optional Education, and Regional Safe Schools.

NET ASSETS

Equity is classified as net assets and displayed in three components:

Invested in capital assets - Consists of capital assets, net of accumulated depreciation.

Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets."

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit.

INVENTORY

Inventory is not recorded. The cost is recorded as an expenditure at the time individual inventory items are purchased.

COMPENSATED ABSENCES

Sick pay must be accumulated but does not vest with the employee. Vacation time can be carried over up to a maximum of five days per year. However, any accruals as of year-end are considered immaterial by management and not reflected in the basic financial statements.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$500 or more and estimated useful lives of greater than two years are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| | |
|--------------------------------|------------|
| Office Equipment and Furniture | 5-10 years |
| Computer Equipment | 3-10 years |
| Other Equipment | 5-20 years |

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BUDGET INFORMATION

The Regional Office of Education #11 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Fund. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted nor are they required to be. The Special Revenue Fund and certain programs within the General Fund do not have separate budgets. Comparisons of budgeted and actual results are presented as supplemental information. Budget information has been provided in supplementary schedules for the following funds: Early Childhood, Gifted, Homeless, Truants Alternative/Optional Education, Regional Safe Schools, ROE/ISC Operations, Title I - Reading First, Title II - Teacher Quality Leadership, and Title II - Teacher Quality.

2 DEPOSITS AND INVESTMENTS

The Regional Office of Education #11 does not have a formal investment policy. The Regional Office of Education #11 is allowed to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

A. DEPOSITS

At June 30, 2011, the carrying amount of the Regional Office of Education #11's government-wide and Agency fund deposits were \$582,787 and \$0, respectively, and the bank balances were \$640,027 and \$0, respectively. At June 30, 2011, \$256,921 of the Regional Office of Education #11's cash deposits was insured by the Federal Deposit Insurance Corporation. Another \$383,106 was collateralized by securities pledged by the Regional Office's financial institution on behalf of the Regional Office.

B. INVESTMENTS

As of June 30, 2011, the Regional Office of Education #11's government-wide and Agency funds had investments with carrying and fair values of \$182,517 and \$0, respectively, invested in certificates of deposit which were fully insured by the Federal Deposit Insurance Corporation.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2011

2 DEPOSITS AND INVESTMENTS (Continued)

CREDIT RISK

At June 30, 2011, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants.

Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

INTEREST RATE RISK

The Illinois Funds Money Market Fund, created by the Illinois General Assembly, enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. The investment policy of the Illinois Funds Money Market Funds states that, unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity.

CONCENTRATION OF CREDIT RISK

Unless specifically authorized by the Treasurer, the Illinois Funds Money Market Fund's investment policy limits investment categories to not exceed 25% of the portfolio with the exception of cash equivalents and U.S. Treasury securities. Further certificates of deposit cannot exceed 10% of any single financial institution's total deposits.

3 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND

A. PLAN DESCRIPTION

The Regional Office of Education #11's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #11's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on line at www.imrf.org.

B. FUNDING POLICY

As set by statute, the Regional Office of Education #11's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer required contribution rate for calendar year 2010 was 6.86 percent. The Regional Office of Education #11 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2011

3 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

C. ANNUAL PENSION COST

The required contribution for calendar year 2010 was \$12,827.

Three-Year Trend Information for the Regular Plan:

| Calendar Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|----------------------------|---------------------------------|-------------------------------------|------------------------------|
| 12/31/10 | \$ 12,827 | 100% | \$ - |
| 12/31/09 | 12,783 | 100% | - |
| 12/31/08 | 23,506 | 100% | - |

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of the Regional Office of Education #11's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education #11 Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 10 year basis.

D. FUNDED STATUS AND FUNDING PROGRESS

As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 63.30 percent funded. The actuarial accrued liability for benefits was \$512,138 and the actuarial value of assets was \$324,173, resulting in an underfunded actuarial accrued liability (UAAL) of \$187,965. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$186,988 and the ratio of the UAAL to the covered payroll was 101 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

4 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The Regional Office of Education #11 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2011

4 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2011, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2010 and 2009.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #11's TRS-covered employees:

ON BEHALF CONTRIBUTIONS TO TRS

The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #11. For the year ended June 30, 2011, State of Illinois contributions were based on 23.10 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #11 recognized revenue and expenditures of \$198,712 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2010 and June 30, 2009, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.38 percent (\$201,139) and 17.08 percent (\$113,731), respectively.

The Regional Office of Education #11 makes other types of employer contributions directly to TRS:

2.2 FORMULA CONTRIBUTIONS

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2011 were \$1,969. Contributions for the years ending June 30, 2010, and June 30, 2009, were \$4,355 and \$3,921, respectively.

FEDERAL AND SPECIAL TRUST FUND CONTRIBUTIONS

When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #11, there is a statutory requirement for the Regional Office of Education #11 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2011, the employer pension contribution was 23.10 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2010 and 2009, the employer contribution was 23.38 and 17.08 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2011, salaries totaling \$74,277 were paid from federal and special trust funds that required employer contributions of \$17,841. For the years ended June 30, 2010, and June 30, 2009, required Regional Office of Education #11 contributions were \$18,565 and \$1,725, respectively.

EARLY RETIREMENT OPTION (ERO)

The Regional Office of Education #11 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

The maximum employer contribution is 117.5 percent and applies when the member is age 55 at retirement.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2011

4 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

For the years ended June 30, 2011, 2010 and 2009, the Regional Office of Education #11 paid no employer contributions to TRS under the ERO program.

SALARY INCREASES OVER 6 PERCENT AND EXCESS SICK LEAVE

If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the years ended June 30, 2011, 2010 and 2009, the Regional Office of Education #11 paid no TRS for employer contributions due on salary increases in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.03 percent of salary during the year ended June 30, 2011 as recertified pursuant to Public Act 96-1511).

For the years ended June 30, 2011, 2010 and 2009, the Regional Office of Education #11 paid no employer contributions to TRS for sick leave days granted in excess of the normal annual allotment.

FURTHER INFORMATION ON TRS

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2010. The report for the year ended June 30, 2011, is expected to be available in late 2011.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS web site at trs.illinois.gov.

5 TEACHER HEALTH INSURANCE SECURITY FUND

The Regional Office of Education #11 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to THIS Fund.

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2011

5 TEACHER HEALTH INSURANCE SECURITY FUND (Continued)

ON BEHALF CONTRIBUTIONS TO THIS FUND

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #11. State contributions are intended to match contributions to THIS Fund from active members which were 0.88 percent of pay during the year ended June 30, 2011. State of Illinois contributions were \$6,613, and the Regional Office of Education #11 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the year ended June 30, 2010 was 0.84 percent of pay. State contributions on behalf of Regional Office of Education #11 employees were \$6,284.

Had the Regional Office of Education #11 recognized revenue and expenditures for State contributions intended to match active member contributions during the year ended June 30, 2009 under the current standards, the contribution match would have been 0.84 percent of pay \$5,677.

EMPLOYER CONTRIBUTIONS TO THIS FUND

The Regional Office of Education #11 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.66 percent during the year ended June 30, 2011, and 0.63 during each of the years ended June 30, 2010, and June 30, 2009. For the year ended June 30, 2011, the Regional Office of Education #11 paid \$4,960 to the THIS Fund. For the years ended June 30, 2010 and 2009, the Region paid \$4,713 and \$4,259, to the THIS Fund, respectively, which was 100% of the required contribution.

FURTHER INFORMATION ON THIS FUND

The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

6 DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2011 consist of the following individual due to/from other funds in the governmental fund balance sheet and in the proprietary fund balance sheet. The balances between governmental funds were eliminated in the government-wide Statement of Net Assets.

| Fund | Due From Other Funds | Due To Other Funds |
|---|-------------------------|-----------------------|
| General Fund | | |
| County Support | \$ 118,709 | \$ - |
| Education Fund | | |
| ROE/ISC Operations | - | 39,978 |
| Regional Safe Schools | - | 70,280 |
| Truants Alternative/Optional Education | - | 59,952 |
| Title II - Teacher Quality - Leadership | - | 9,489 |
| Area IV - System of Support | - | 4,043 |
| ARRA - Education Jobs Fund Program | - | 8,740 |
| Proprietary Fund | | |
| Local Enterprise | 73,773 | - |
| | <u>\$ 192,482</u> | <u>\$ 192,482</u> |

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2011

7 ON BEHALF PAYMENTS

The State of Illinois paid the following salaries and benefits on behalf of the Regional Office of Education #11:

| | | |
|---|--------|-------------|
| Regional Superintendent Salary | \$ | 92,365 |
| Regional Superintendent Fringe Benefit (Includes State paid insurance) | | 16,914 |
| Assistant Regional Superintendent Salary | | 90,686 |
| Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance) | | 12,527 |
| Contributions to TRS and THIS | | 205,325 |
| Total | \$ | 417,817 |

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education. These amounts have been recorded in the accompanying financial statements as State revenue and expenditures.

8 CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #11 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental fund statements. The following equipment is separated by fund. The following table provides a summary of changes in capital assets for the year ended June 30, 2011:

| | Balance July 1, 2010 | Additions | Deletions | Balance June 30, 2011 |
|---------------------------------|-------------------------|-----------|-----------|--------------------------|
| Governmental Activities: | | | | |
| General Funds | | | | |
| County Support | \$ 48,389 | \$ 682 | \$ 565 | \$ 48,506 |
| Direct Services | 141 | - | - | 141 |
| Youth Services | 17,065 | 1,103 | - | 18,168 |
| Total for General Funds | 65,595 | 1,785 | 565 | 66,815 |
| Special Revenue Funds | | | | |
| Nonmajor Funds | | | | |
| Institute | 565 | - | - | 565 |
| General Education Development | 400 | - | - | 400 |
| Total for Special Revenue Funds | 965 | - | - | 965 |

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2011

8 CAPITAL ASSETS (Continued)

| | Balance July 1, 2010 | Additions | Deletions | Balance June 30, 2011 |
|------------------------------------|-------------------------|-------------------|-------------|--------------------------|
| Education Funds | | | | |
| Area IV - System of Support | \$ 3,156 | \$ - | \$ - | \$ 3,156 |
| ROE/ISC Operations | 4,664 | - | - | 4,664 |
| Regional Safe Schools | 67,142 | - | - | 67,142 |
| Title I - Reading First Part B SEA | 2,430 | - | - | 2,430 |
| Title II - Teacher Quality | 890 | - | - | 890 |
| Technology Enhancing Education | 7,244 | - | - | 7,244 |
| Total for Education Funds | <u>85,526</u> | <u>-</u> | <u>-</u> | <u>85,526</u> |
| Total - Governmental Funds | 152,086 | 1,785 | 565 | 153,306 |
| Less: Accumulated Depreciation | <u>148,911</u> | <u>2,549</u> | <u>565</u> | <u>150,895</u> |
| Investment in Capital Assets, Net | | | | |
| Governmental Activities | <u>\$ 3,175</u> | <u>\$ (764)</u> | <u>\$ -</u> | <u>\$ 2,411</u> |
| | Balance | | | Balance |
| | July 1, 2010 | Additions | Deletions | June 30, 2011 |
| Business-Type Activities: | | | | |
| Local Workshops | \$ 36,141 | \$ - | \$ 552 | \$ 35,589 |
| Less: Accumulated Depreciation | <u>28,639</u> | <u>2,324</u> | <u>552</u> | <u>30,411</u> |
| Investment in Capital Assets, Net | <u>\$ 7,502</u> | <u>\$ (2,324)</u> | <u>\$ -</u> | <u>\$ 5,178</u> |

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2011 of \$2,549 and \$2,324 was charged to governmental activities and business-type activities, respectively. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

9 RISK MANAGEMENT

The Regional Office of Education #11 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education #11 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

10 INTERFUND ACTIVITY

Interfund transfer in/out to other fund balances at June 30, 2011 consist of the following individual transfers in/out other funds in the governmental fund balance sheet. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities; however, the transfers between the governmental funds and the business-type funds were not eliminated.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2011

10 INTERFUND ACTIVITY (Continued)

| Fund | Transfer In | Transfer Out |
|--|-------------------|-------------------|
| General Fund | | |
| County Support | \$ 511 | \$ - |
| Direct Service | 178 | 10 |
| Education Fund | | |
| Regional Safe Schools | - | 2 |
| ROE/ISC Operations | - | 61,490 |
| Illinois Violence Prevention Authority | - | 500 |
| Title II - Teacher Quality Leadership | - | 8 |
| Area IV - System of Support | - | 10 |
| Proprietary Fund | | |
| Local Enterprise | 121,037 | 55,900 |
| Nonmajor Funds | | |
| Institute Fund | - | 3,628 |
| Supervisory Fund | - | 178 |
| | <u>\$ 121,726</u> | <u>\$ 121,726</u> |

11 DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #11's Agency Fund, General Fund, Proprietary Fund and Education Fund have funds due to and due from various other governmental units which consist of the following:

Due from Other Governments:

| | |
|--|---------------------|
| Agency Fund | |
| Illinois State Board of Education | \$ 4,591,094 |
| Education Fund | |
| Illinois State Board of Education | 743,129 |
| Regional Office of Education #17 | 2,075 |
| Iroquois-Kankakee Regional Office of Education | 1,795 |
| General Fund | |
| Illinois State Board of Education | 777 |
| Local School Districts | 2,077 |
| Proprietary Fund | |
| Local School Districts | 2,588 |
| Eastern Illinois Education for Employment System | 2,188 |
| Nonmajor Funds | |
| Local School Districts | 12 |
| Total | <u>\$ 5,345,735</u> |

Due to Other Governments:

| | |
|--|---------------------|
| Agency Fund | |
| Local School Districts | \$ 4,591,094 |
| Education Fund | |
| Illinois State Board of Education | 768 |
| Eastern Illinois Area of Special Education | 554,690 |
| General Fund | |
| Lake Land College - Pathways | 27,944 |
| Nonmajor Funds | |
| Local School Districts | 1,984 |
| Total | <u>\$ 5,176,480</u> |

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2011

12 OPERATING LEASES

The Regional Office of Education #11 has entered into several operating lease agreements for its office facilities, Bridges Alternative School Program, Regional Safe Schools Program, a postage meter and two copiers. During the year ended June 30, 2011 rentals under lease obligations were \$65,692. Future minimum rentals are as follows for the years ending June 30:

| | | |
|-----------|----|----------------|
| 2012 | \$ | 58,405 |
| 2013 | | 49,955 |
| 2014 | | 47,880 |
| 2015 | | 44,975 |
| 2016 | | 44,917 |
| 2017-2021 | | <u>195,570</u> |
| Total | \$ | <u>441,702</u> |

13 OTHER POSTEMPLOYMENT BENEFITS

The Regional Office of Education #11 has evaluated its potential other post employment benefits liability. Former employees who choose to retain their rights to health insurance through the Regional Office of Education #11 are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Regional Office of Education #11's health insurance plan. Therefore, there has been zero percent utilization and therefore no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Regional Office of Education #11 had no former employees for which the Regional Office of Education #11 was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Regional Office of Education #11 has not recorded any post employment benefit liability as of June 30, 2011.

14 OTHER REQUIRED FUND DISCLOSURES

Deficit fund balances at June 30, 2011 are as follows:

| | | |
|--|----|--------|
| Truants Alternative/Optional Education | \$ | 9,991 |
| Regional Safe Schools | \$ | 11,713 |

15 RECLASSIFICATIONS

Due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances as originally reported for the year ended June 30, 2010 were required to be reclassified. The implementation of GASB Statement No. 54 resulted in a decrease of \$35,740, from \$475,282 to \$439,542, in fund balance reported by the General Revenue Fund and an increase of \$35,740, from (\$103,544) to (\$67,804), in fund balance reported by the Education Fund. These changes are due from the reclassification during fiscal year 2011 of the ROE/ISC Operations fund from the General Fund to the Education Fund, and the Youth Services Fund moved from the Education Fund to the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION
(Other than Management's Discussion and Analysis)

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
(UNAUDITED)

JUNE 30, 2011

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|--|------------------------------------|--------------------------|---------------------------|--|
| 12/31/10 | 324,173 | 512,138 | 187,965 | 63.30% | 186,988 | 100.52% |
| 12/31/09 | 317,411 | 468,559 | 151,148 | 67.74% | 215,933 | 70.00% |
| 12/31/08 | 772,337 | 736,036 | (36,301) | 104.93% | 226,582 | 0.00% |

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$385,086.

On a market basis, the funded ratio would be 75.19%.

See accompanying Independent Auditor's Report.

SUPPLEMENTAL INFORMATION

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND

JUNE 30, 2011

| | <u>County Support</u> | <u>Direct Service</u> | <u>Youth Services</u> | <u>Total</u> |
|---|---------------------------|---------------------------|---------------------------|--------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 192,237 | \$ 16,435 | \$ 120,801 | \$ 329,473 |
| Investments | 39,410 | 63,732 | - | 103,142 |
| Due from other funds | 118,709 | - | - | 118,709 |
| Due from other governments | | | | |
| Local | - | 2,077 | - | 2,077 |
| State | 777 | - | - | 777 |
| Total assets | <u>\$ 351,133</u> | <u>\$ 82,244</u> | <u>\$ 120,801</u> | <u>\$ 554,178</u> |
| Liabilities and fund balance | | | | |
| Liabilities | | | | |
| Accounts payable | \$ - | \$ 1,400 | \$ 13,644 | \$ 15,044 |
| Payroll liabilities | - | - | 44,297 | 44,297 |
| Due to other governments | - | - | 27,944 | 27,944 |
| Total liabilities | <u>-</u> | <u>1,400</u> | <u>85,885</u> | <u>87,285</u> |
| Fund Balance | | | | |
| Assigned | 351,133 | - | 34,916 | 386,049 |
| Unassigned | - | 80,844 | - | 80,844 |
| Total fund balance | <u>351,133</u> | <u>80,844</u> | <u>34,916</u> | <u>466,893</u> |
| Total liabilities and fund balance | <u>\$ 351,133</u> | <u>\$ 82,244</u> | <u>\$ 120,801</u> | <u>\$ 554,178</u> |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS

For the Year Ended June 30, 2011

| | County Support | Direct Service | Youth Services | TOTALS |
|--|-------------------|-------------------|-------------------|-------------------|
| Revenues | | | | |
| Local sources | \$ 235,996 | \$ 65,870 | \$ 5,708 | \$ 307,574 |
| State sources | - | 2,935 | 860,344 | 863,279 |
| State sources-payments made on behalf of region | 417,817 | - | - | 417,817 |
| Federal sources | - | - | 69,395 | 69,395 |
| | <u>653,813</u> | <u>68,805</u> | <u>935,447</u> | <u>1,658,065</u> |
| Expenditures | | | | |
| Salaries and benefits | 158,944 | - | 445,156 | 604,100 |
| Purchased services | 55,073 | 61,691 | 117,569 | 234,333 |
| Supplies and materials | 7,908 | - | 22,133 | 30,041 |
| Other objects | 1,174 | 8,163 | - | 9,337 |
| Payments to other governments | - | - | 335,792 | 335,792 |
| Payments made on behalf of region | 417,817 | - | - | 417,817 |
| Capital outlay | 682 | - | 1,103 | 1,785 |
| | <u>641,598</u> | <u>69,854</u> | <u>921,753</u> | <u>1,633,205</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>12,215</u> | <u>(1,049)</u> | <u>13,694</u> | <u>24,860</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 511 | 178 | - | 689 |
| Transfers out | - | (10) | - | (10) |
| Interest | 835 | 888 | 89 | 1,812 |
| | <u>1,346</u> | <u>1,056</u> | <u>89</u> | <u>2,491</u> |
| Net change in fund balances | 13,561 | 7 | 13,783 | 27,351 |
| Fund balance - beginning (Restated - See note 15) | <u>337,572</u> | <u>80,837</u> | <u>21,133</u> | <u>439,542</u> |
| Fund balance - ending | <u>\$ 351,133</u> | <u>\$ 80,844</u> | <u>\$ 34,916</u> | <u>\$ 466,893</u> |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS

JUNE 30, 2011

| | Early Childhood | Pathways | Gifted | Homeless |
|--|--------------------|----------|--------|----------|
| Assets | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ 768 | \$ 1,426 |
| Investments | - | - | - | - |
| Due from other governments: | | | | |
| Local | - | - | - | - |
| State | 554,690 | - | - | - |
| | 554,690 | - | 768 | 1,426 |
| Total assets | \$ 554,690 | \$ - | \$ 768 | \$ 1,426 |
| Liabilities and fund balance (deficit) | | | | |
| Liabilities | | | | |
| Payroll liabilities | \$ - | \$ - | \$ - | \$ 1,426 |
| Due to other funds | - | - | - | - |
| Due to other governments: | | | | |
| Local | 554,690 | - | - | - |
| State | - | - | 768 | - |
| Deferred revenue | - | - | - | - |
| | 554,690 | - | 768 | 1,426 |
| Total liabilities | 554,690 | - | 768 | 1,426 |
| Fund Balance (deficit) | | | | |
| Restricted | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| | - | - | - | - |
| Total fund balances (deficit) | - | - | - | - |
| Total liabilities and fund balance (deficit) | \$ 554,690 | \$ - | \$ 768 | \$ 1,426 |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS

JUNE 30, 2011

| | Illinois Violence Prevention Authority | Truants Alternative/ Optional Education | Regional Safe Schools | ROE/ISC Operations | Title I - Reading First |
|---|---|--|-----------------------------|-----------------------|-------------------------------|
| Assets | | | | | |
| Cash and cash equivalents | \$ 8,334 | \$ 8,273 | \$ 9,085 | \$ 861 | \$ - |
| Investments | - | - | - | 17,263 | - |
| Due from other governments: | | | | | |
| Local | - | - | - | - | - |
| State | - | 59,952 | 70,280 | 39,978 | - |
| | <u>8,334</u> | <u>68,225</u> | <u>79,365</u> | <u>58,102</u> | <u>-</u> |
| Total assets | <u>\$ 8,334</u> | <u>\$ 68,225</u> | <u>\$ 79,365</u> | <u>\$ 58,102</u> | <u>\$ -</u> |
| Liabilities and fund balance (deficit) | | | | | |
| Liabilities | | | | | |
| Payroll liabilities | \$ - | \$ 8,272 | \$ 9,085 | \$ - | \$ - |
| Due to other funds | - | 59,952 | 70,280 | 39,978 | - |
| Due to other governments: | | | | | |
| Local | - | - | - | - | - |
| State | - | - | - | - | - |
| Deferred revenue | 8,334 | 9,992 | 11,713 | 7,415 | - |
| | <u>8,334</u> | <u>78,216</u> | <u>91,078</u> | <u>47,393</u> | <u>-</u> |
| Total liabilities | <u>8,334</u> | <u>78,216</u> | <u>91,078</u> | <u>47,393</u> | <u>-</u> |
| Fund Balance (deficit) | | | | | |
| Restricted for educational purposes | - | - | - | 861 | - |
| Assigned | - | - | - | 9,848 | - |
| Unassigned | - | (9,991) | (11,713) | - | - |
| | <u>-</u> | <u>(9,991)</u> | <u>(11,713)</u> | <u>-</u> | <u>-</u> |
| Total fund balance (deficit) | <u>-</u> | <u>(9,991)</u> | <u>(11,713)</u> | <u>10,709</u> | <u>-</u> |
| Total liabilities and fund balance (deficit) | <u>\$ 8,334</u> | <u>\$ 68,225</u> | <u>\$ 79,365</u> | <u>\$ 58,102</u> | <u>\$ -</u> |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS

JUNE 30, 2011

| | Title II - Teacher Quality Leadership | Title II - Teacher Quality | Area IV - System of Support | ARRA - Education Jobs Fund Program | Total |
|---|--|----------------------------------|-----------------------------------|---|-------------------|
| Assets | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ 173 | \$ 4,362 | \$ 33,282 |
| Investments | - | - | - | - | 17,263 |
| Due from other governments: | | | | | |
| Local | - | - | 3,870 | - | 3,870 |
| State | 9,489 | - | - | 8,740 | 743,129 |
| Total assets | \$ 9,489 | \$ - | \$ 4,043 | \$ 13,102 | \$ 797,544 |
| Liabilities and fund balance (deficit) | | | | | |
| Liabilities | | | | | |
| Payroll liabilities | \$ - | \$ - | \$ - | \$ 4,362 | \$ 23,145 |
| Due to other funds | 9,489 | - | 4,043 | 8,740 | 192,482 |
| Due to other governments: | | | | | |
| Local | - | - | - | - | 554,690 |
| State | - | - | - | - | 768 |
| Deferred revenue | - | - | - | - | 37,454 |
| Total liabilities | 9,489 | - | 4,043 | 13,102 | 808,539 |
| Fund Balance | | | | | |
| Restricted | - | - | - | - | 861 |
| Assigned | - | - | - | - | 9,848 |
| Unassigned | - | - | - | - | (21,704) |
| Total fund balance (deficit) | - | - | - | - | (10,995) |
| Total liabilities and fund balance (deficit) | \$ 9,489 | \$ - | \$ 4,043 | \$ 13,102 | \$ 797,544 |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS

For the Year Ended June 30, 2011

| | <u>Early Childhood</u> | <u>Pathways</u> | <u>Gifted</u> | <u>Homeless</u> |
|---|----------------------------|-----------------|---------------|-----------------|
| Revenues | | | | |
| Local sources | \$ - | \$ 44,470 | \$ - | \$ - |
| State sources | 1,627,560 | - | 52,983 | - |
| Federal sources | - | - | - | 25,927 |
| | <u>1,627,560</u> | <u>44,470</u> | <u>52,983</u> | <u>25,927</u> |
| Total revenues | | | | |
| | <u>1,627,560</u> | <u>44,470</u> | <u>52,983</u> | <u>25,927</u> |
| Expenditures | | | | |
| Salaries and benefits | - | - | 12,318 | 16,055 |
| Purchased services | - | - | 23,399 | 4,865 |
| Supplies and materials | - | - | 17,276 | 5,011 |
| Payments to other governments | 1,627,560 | 44,470 | - | - |
| | <u>1,627,560</u> | <u>44,470</u> | <u>52,993</u> | <u>25,931</u> |
| Total expenditures | | | | |
| | <u>1,627,560</u> | <u>44,470</u> | <u>52,993</u> | <u>25,931</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>(10)</u> | <u>(4)</u> |
| Other financing sources (uses): | | | | |
| Transfer out | - | - | - | - |
| Interest | - | - | 10 | 4 |
| | <u>-</u> | <u>-</u> | <u>10</u> | <u>4</u> |
| Total other financing sources (uses) | | | | |
| | <u>-</u> | <u>-</u> | <u>10</u> | <u>4</u> |
| Net change in fund balances | - | - | - | - |
| Fund balances - beginning (Restated - See note 15) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS

For the Year Ended June 30, 2011

| | Illinois Violence Prevention Authority | Truants Alternative/ Optional Education | Regional Safe Schools | ROE/ISC Operations | Title I - Reading First |
|--|---|--|-----------------------------|-----------------------|-------------------------------|
| Revenues | | | | | |
| Local sources | \$ - | \$ - | \$ - | \$ - | \$ - |
| State sources | 19,385 | 124,739 | 185,299 | 80,370 | - |
| Federal sources | - | - | - | - | 12,059 |
| Total revenues | 19,385 | 124,739 | 185,299 | 80,370 | 12,059 |
| Expenditures | | | | | |
| Salaries and benefits | 16,121 | 84,024 | 116,499 | 56,579 | 955 |
| Purchased services | 2,456 | 5,906 | 637 | 3,892 | 11,105 |
| Supplies and materials | 319 | - | - | 4,754 | - |
| Payments to other governments | - | - | - | - | - |
| Total expenditures | 18,896 | 89,930 | 117,136 | 65,225 | 12,060 |
| Excess (deficiency) of revenues over expenditures | 489 | 34,809 | 68,163 | 15,145 | (1) |
| Other financing sources (uses): | | | | | |
| Transfer out | (500) | - | (2) | (61,490) | - |
| Interest | 11 | 1 | 2 | 181 | 1 |
| Total other financing sources (uses) | (489) | 1 | - | (61,309) | 1 |
| Net change in fund balances | - | 34,810 | 68,163 | (46,164) | - |
| Fund balance (deficit) - beginning (Restated - See note 15) | - | (44,801) | (79,876) | 56,873 | - |
| Fund balance (deficit) - ending | \$ - | \$ (9,991) | \$ (11,713) | \$ 10,709 | \$ - |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS

For the Year Ended June 30, 2011

| | Title II - Teacher Quality Leadership | Title II - Teacher Quality | Area IV - System of Support | ARRA - Education Jobs Fund Program | Total |
|--|--|----------------------------------|-----------------------------------|---|--------------------|
| Revenues | | | | | |
| Local sources | \$ - | \$ - | \$ - | \$ - | \$ 44,470 |
| State sources | - | - | - | - | 2,090,336 |
| Federal sources | 99,827 | 1,184 | 65,715 | 50,173 | 254,885 |
| Total revenues | 99,827 | 1,184 | 65,715 | 50,173 | 2,389,691 |
| Expenditures | | | | | |
| Salaries and benefits | 73,392 | - | 59,286 | 50,173 | 485,402 |
| Purchased services | 8,331 | 1,184 | 6,429 | - | 68,204 |
| Supplies and materials | 18,104 | - | - | - | 45,464 |
| Payments to other governments | - | - | - | - | 1,672,030 |
| Total expenditures | 99,827 | 1,184 | 65,715 | 50,173 | 2,271,100 |
| Excess (deficiency) of revenues over expenditures | - | - | - | - | 118,591 |
| Other financing sources (uses): | | | | | |
| Transfer out | (8) | - | (10) | - | (62,010) |
| Interest | 8 | - | 10 | - | 228 |
| Total other financing sources (uses) | - | - | - | - | (61,782) |
| Net change in fund balances | - | - | - | - | 56,809 |
| Fund balance (deficit) - beginning (Restated - See note 15) | - | - | - | - | (67,804) |
| Fund balance (deficit) - ending | \$ - | \$ - | \$ - | \$ - | \$ (10,995) |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
EARLY CHILDHOOD

For the Year Ended June 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|--------------------|--------------------|--------------------|
| | Original | Final | |
| Revenues | | | |
| State sources | \$ 2,171,378 | \$ 2,171,378 | \$ 1,627,560 |
| Total revenues | <u>2,171,378</u> | <u>2,171,378</u> | <u>1,627,560</u> |
| Expenditures | | | |
| Payments to other governments | <u>2,171,378</u> | <u>2,171,378</u> | <u>1,627,560</u> |
| Total expenditures | <u>2,171,378</u> | <u>2,171,378</u> | <u>1,627,560</u> |
| Excess of revenues over expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | - | - | - |
| Fund balance -beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance - ending | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
GIFTED

For the Year Ended June 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|--------------------|--------------------|--------------------|
| | Original | Final | |
| Revenues | | | |
| State | \$ 92,948 | \$ 92,948 | \$ 52,983 |
| Total revenues | <u>92,948</u> | <u>92,948</u> | <u>52,983</u> |
| Expenditures | | | |
| Salaries and benefits | 24,036 | 29,517 | 12,318 |
| Purchased services | 38,912 | 36,843 | 23,399 |
| Supplies and materials | <u>30,000</u> | <u>26,588</u> | <u>17,276</u> |
| Total expenditures | <u>92,948</u> | <u>92,948</u> | <u>52,993</u> |
| (Deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>(10)</u> |
| Other Financing Sources | | | |
| Interest | <u>-</u> | <u>-</u> | <u>10</u> |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>10</u> |
| Net change in fund balance | - | - | - |
| Fund balance -beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance - ending | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
HOMELESS

For the Year Ended June 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|------------------|---------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Federal sources | \$ 24,977 | \$ 25,929 | \$ 25,927 |
| Total revenues | <u>24,977</u> | <u>25,929</u> | <u>25,927</u> |
| Expenditures | | | |
| Salaries and benefits | 14,822 | 15,774 | 16,055 |
| Purchased services | 5,555 | 5,555 | 4,865 |
| Supplies and materials | 4,600 | 4,600 | 5,011 |
| Total expenditures | <u>24,977</u> | <u>25,929</u> | <u>25,931</u> |
| (Deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>(4)</u> |
| Other Financing Sources | | | |
| Interest | - | - | 4 |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>4</u> |
| Net change in fund balance | - | - | - |
| Fund balance -beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE / OPTIONAL EDUCATION

For the Year Ended June 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|--|------------------|---------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| State sources | \$ 89,930 | \$ 89,930 | \$ 124,739 |
| Total revenues | <u>89,930</u> | <u>89,930</u> | <u>124,739</u> |
| Expenditures | | | |
| Salaries and benefits | 83,195 | 83,195 | 84,024 |
| Purchased services | 6,735 | 6,735 | 5,906 |
| Total expenditures | <u>89,930</u> | <u>89,930</u> | <u>89,930</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>34,809</u> |
| Other Financing Sources | | | |
| Interest | - | - | 1 |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>1</u> |
| Net change in fund balance | - | - | 34,810 |
| Fund balance (deficit) -beginning | <u>-</u> | <u>-</u> | <u>(44,801)</u> |
| Fund balance (deficit) - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (9,991)</u> |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS

For the Year Ended June 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|--------------------|--------------------|---------------------------|
| | Original | Final | |
| Revenues | | | |
| State sources | \$ 117,136 | \$ 117,136 | \$ 185,299 |
| Total revenues | <u>117,136</u> | <u>117,136</u> | <u>185,299</u> |
| Expenditures | | | |
| Salaries and benefits | 115,526 | 115,526 | 116,499 |
| Purchased services | <u>1,610</u> | <u>1,610</u> | <u>637</u> |
| Total expenditures | <u>117,136</u> | <u>117,136</u> | <u>117,136</u> |
| Excess of revenues over expenditures | <u>-</u> | <u>-</u> | <u>68,163</u> |
| Other Financing Sources (Uses) | | | |
| Transfer out | - | - | (2) |
| Interest | <u>-</u> | <u>-</u> | <u>2</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | - | - | 68,163 |
| Fund balance (deficit) - beginning | <u>-</u> | <u>-</u> | <u>(79,876)</u> |
| Fund balance (deficit) - ending | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ (11,713)</u></u> |

Note: \$79,876 of revenue was deferred from FY10 program and recognized in FY11.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ROE/ISC Operations

For the Year Ended June 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|------------------|---------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| State Sources | \$ 36,162 | \$ 66,158 | \$ 80,370 |
| Total revenues | <u>36,162</u> | <u>66,158</u> | <u>80,370</u> |
| Expenditures | | | |
| Salaries and benefits | 34,119 | 60,016 | 56,579 |
| Purchased services | 814 | 2,032 | 3,892 |
| Supplies and materials | 1,229 | 4,110 | 4,754 |
| Total expenditures | <u>36,162</u> | <u>66,158</u> | <u>65,225</u> |
| Excess of revenues over expenditures | <u>-</u> | <u>-</u> | <u>15,145</u> |
| Other Financing Sources | | | |
| Transfer out | | | (61,490) |
| Interest | - | - | 181 |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>(61,309)</u> |
| Net change in fund balance | - | - | (46,164) |
| Fund balance - beginning | <u>-</u> | <u>-</u> | <u>56,873</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,709</u> |

Note: \$21,699 of revenue was deferred from FY10 program and recognized in FY11.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE I - READING FIRST

For the Year Ended June 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|--------------------|--------------------|--------------------|
| | Original | Final | |
| Revenues | | | |
| Federal sources | \$ 18,952 | \$ 18,952 | \$ 12,059 |
| Total revenues | <u>18,952</u> | <u>18,952</u> | <u>12,059</u> |
| Expenditures | | | |
| Salaries and benefits | 947 | 947 | 955 |
| Purchased services | <u>18,005</u> | <u>18,005</u> | <u>11,105</u> |
| Total expenditures | <u>18,952</u> | <u>18,952</u> | <u>12,060</u> |
| (Deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>(1)</u> |
| Other Financing Sources | | | |
| Interest | <u>-</u> | <u>-</u> | <u>1</u> |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>1</u> |
| Net change in fund balance | - | - | - |
| Fund balance - beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance - ending | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE II - TEACHER QUALITY LEADERSHIP

For the Year Ended June 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|--------------------|--------------------|--------------------|
| | Original | Final | |
| Revenues | | | |
| Federal sources | \$ 100,000 | \$ 100,000 | \$ 99,827 |
| Total revenues | <u>100,000</u> | <u>100,000</u> | <u>99,827</u> |
| Expenditures | | | |
| Salaries and benefits | 71,282 | 73,207 | 73,392 |
| Purchased services | 13,552 | 8,405 | 8,331 |
| Supplies and materials | 15,166 | 18,388 | 18,104 |
| Total expenditures | <u>100,000</u> | <u>100,000</u> | <u>99,827</u> |
| Excess of revenues over expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Other Financing Sources | | | |
| Transfer out | - | - | (8) |
| Interest | - | - | 8 |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | - | - | - |
| Fund balance - beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance - ending | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TITLE II - TEACHER QUALITY

For the Year Ended June 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|------------------|--------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Federal sources | \$ 1,184 | \$ 1,184 | \$ 1,184 |
| Total revenues | <u>1,184</u> | <u>1,184</u> | <u>1,184</u> |
| Expenditures | | | |
| Purchased services | <u>1,184</u> | <u>1,184</u> | <u>1,184</u> |
| Total expenditures | <u>1,184</u> | <u>1,184</u> | <u>1,184</u> |
| Excess of revenues over expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | - | - | - |
| Fund balance - beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2011

| | <u>Institute</u> | <u>General Education Development</u> | <u>Bus Driver Training</u> | <u>Supervisory</u> | <u>Total</u> |
|-------------------------------------|------------------|--|------------------------------------|--------------------|-------------------|
| Assets | | | | | |
| Cash and cash equivalents | \$ 99,577 | \$ 8,345 | \$ 9,211 | \$ - | \$ 117,133 |
| Due from others | - | - | 108 | - | 108 |
| Due from other governments | | | | | |
| Local | - | - | 12 | - | 12 |
| Total assets | <u>\$ 99,577</u> | <u>\$ 8,345</u> | <u>\$ 9,331</u> | <u>\$ -</u> | <u>\$ 117,253</u> |
| Liabilities and fund balance | | | | | |
| Liabilities | | | | | |
| Due to other governments | | | | | |
| Local | \$ 1,984 | - | - | - | \$ 1,984 |
| Total liabilities | <u>1,984</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,984</u> |
| Fund Balance | | | | | |
| Restricted | <u>97,593</u> | <u>8,345</u> | <u>9,331</u> | <u>-</u> | <u>115,269</u> |
| Total liabilities and fund balance | <u>\$ 99,577</u> | <u>\$ 8,345</u> | <u>\$ 9,331</u> | <u>\$ -</u> | <u>\$ 117,253</u> |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2011

| | Institute | General Education Development | Bus Driver Training | Supervisory | Total |
|---|------------------|-------------------------------------|---------------------------|--------------|-------------------|
| Revenues | | | | | |
| Local sources | \$ 36,327 | \$ 13,718 | \$ 3,280 | \$ - | \$ 53,325 |
| State sources | - | - | 1,375 | - | 1,375 |
| Total revenues | 36,327 | 13,718 | 4,655 | - | 54,700 |
| Expenditures | | | | | |
| Salaries and benefits | 5,567 | 3,978 | - | - | 9,545 |
| Purchased services | 18,654 | 5,724 | 3,351 | - | 27,729 |
| Supplies and materials | 326 | 2,830 | 305 | - | 3,461 |
| Other objects | 4,175 | 200 | - | - | 4,375 |
| Total expenditures | 28,722 | 12,732 | 3,656 | - | 45,110 |
| Excess of revenues over expenditures | 7,605 | 986 | 999 | - | 9,590 |
| Other financing sources (uses) | | | | | |
| Transfer out | (3,628) | - | - | (178) | (3,806) |
| Interest | 127 | 10 | 12 | - | 149 |
| Total other financing sources (uses) | (3,501) | 10 | 12 | (178) | (3,657) |
| Net change in fund balances | 4,104 | 996 | 1,011 | (178) | 5,933 |
| Fund balances - beginning | 93,489 | 7,349 | 8,320 | 178 | 109,336 |
| Fund balances - ending | <u>\$ 97,593</u> | <u>\$ 8,345</u> | <u>\$ 9,331</u> | <u>\$ -</u> | <u>\$ 115,269</u> |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS

JUNE 30, 2011

| | Distributive | Regional Trustee Fund | Total |
|----------------------------|--------------|--------------------------|--------------|
| Assets | | | |
| Accounts receivable | \$ - | \$ 513 | \$ 513 |
| Due from other governments | 4,591,094 | - | 4,591,094 |
| Total assets | \$ 4,591,094 | \$ 513 | \$ 4,591,607 |
| Liabilities | | | |
| Cash overdraft | \$ - | \$ 513 | \$ 513 |
| Due to other governments | 4,591,094 | - | 4,591,094 |
| Total liabilities | \$ 4,591,094 | \$ 513 | \$ 4,591,607 |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended June 30, 2011

| | Balance Beginning of Year | Additions | Deductions | Balance End of Year |
|----------------------------------|---------------------------------|----------------------|----------------------|---------------------------|
| <u>DISTRIBUTIVE</u> | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ - | \$ 70,813,779 | \$ 70,813,779 | \$ - |
| Due from other governments | 10,711,013 | 4,591,094 | 10,711,013 | 4,591,094 |
| Total assets | <u>\$ 10,711,013</u> | <u>\$ 75,404,873</u> | <u>\$ 81,524,792</u> | <u>\$ 4,591,094</u> |
| Liabilities | | | | |
| Due to other governments | \$ 10,711,013 | \$ 75,404,873 | \$ 81,524,792 | \$ 4,591,094 |
| Total liabilities | <u>\$ 10,711,013</u> | <u>\$ 75,404,873</u> | <u>\$ 81,524,792</u> | <u>\$ 4,591,094</u> |
| <u>REGIONAL TRUSTEE FUND</u> | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 700 | \$ 2,307 | \$ 3,007 | \$ - |
| Accounts receivable | - | 513 | - | 513 |
| Total assets | <u>\$ 700</u> | <u>\$ 2,820</u> | <u>\$ 3,007</u> | <u>\$ 513</u> |
| Liabilities | | | | |
| Cash overdraft | \$ - | \$ 513 | \$ - | \$ 513 |
| Due to other governments | 700 | 2,307 | 3,007 | - |
| Total liabilities | <u>\$ 700</u> | <u>\$ 2,820</u> | <u>\$ 3,007</u> | <u>\$ 513</u> |
| <u>TOTALS - ALL AGENCY FUNDS</u> | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 700 | \$ 70,816,086 | \$ 70,816,786 | \$ - |
| Accounts receivable | - | 513 | - | 513 |
| Due from other governments | 10,711,013 | 4,591,094 | 10,711,013 | 4,591,094 |
| Total assets | <u>\$ 10,711,713</u> | <u>\$ 75,407,693</u> | <u>\$ 81,527,799</u> | <u>\$ 4,591,607</u> |
| Liabilities | | | | |
| Cash overdraft | \$ - | \$ 513 | \$ - | \$ 513 |
| Due to other governments | 10,711,713 | 75,407,180 | 81,527,799 | 4,591,094 |
| Total liabilities | <u>\$ 10,711,713</u> | <u>\$ 75,407,693</u> | <u>\$ 81,527,799</u> | <u>\$ 4,591,607</u> |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES

For the Year Ended June 30, 2011

| Program Description | Program Number | Marshall CUSD #C-2 | Martinsville CUSD #C-3 | Casey Westfield CUSD #C-4 | Mattoon CUSD #2 | Oakland CUSD #5 | Neoga CUSD #3 | Cumberland CUSD #77 | Arthur CUSD #305 |
|---|----------------|---------------------|------------------------|---------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| General State Aid - Sec. 18-8 | 3001 | \$ 4,737,691 | \$ 1,660,580 | \$ 3,482,790 | \$ 11,535,642 | \$ 1,095,252 | \$ 2,660,807 | \$ 3,255,902 | \$ 359,595 |
| State Aid Hold Harmless | 3002 | | | | | | | | |
| Transition Assistance | 3009 | | | | | | | | |
| Reorganization Incentive | 3021 | | | | | | | | |
| Sp. Ed. - Private Facility Tuition | 3100 | 61,314 | | | 9,986 | | 10,507 | | |
| Sp. Ed. - Extraordinary | 3105 | 262,449 | 73,479 | 198,830 | 629,417 | 58,572 | 195,326 | 181,336 | 87,110 |
| Sp. Ed. - Personnel | 3110 | 230,346 | 37,261 | 217,126 | 731,485 | 37,024 | 96,066 | 170,551 | 85,815 |
| Sp. Ed. - Orphanage - Individual | 3120 | | | | | | 9,216 | | 616 |
| Sp. Ed. - Orphanage - Summer | 3130 | | | | | | | | |
| Sp. Ed. - Summer School | 3145 | | | | | | 1,915 | | |
| Bilingual Ed. - Downstate - TPI & TBE | 3305 | | | | | | | | |
| Gifted Education | 3350 | | | | | | | | |
| State Free Lunch & Breakfast | 3360 | 7,271 | 2,580 | 10,854 | 38,309 | 2,075 | 5,382 | 5,809 | 1,134 |
| School Breakfast Incentive | 3365 | 31 | 26 | 47 | 221 | 89 | 57 | | 8 |
| Driver Education | 3370 | 17,038 | 6,475 | 15,434 | 42,933 | 6,139 | 11,127 | 10,390 | 8,124 |
| Transportation - Regular & Vocational | 3500 | 358,347 | 141,921 | 294,594 | 353,458 | 126,562 | 160,315 | 407,621 | 94,741 |
| Transportation - Special Education | 3510 | 119,759 | 66,320 | 122,770 | 271,033 | 77,367 | 116,246 | 170,970 | 73,767 |
| ROE School Bus Driver Training | 3520 | | | | | | | | |
| Truants Alternative/Operational Ed. | 3695 | | | | | | | | |
| Regional Safe Schools | 3696 | | | | | | | | |
| Early Childhood - Block Grant | 3705 | | 7,672 | | 2,912,574 | | | | |
| Reading Improvement Block Grant | 3715 | 20,767 | 5,704 | 17,074 | 53,066 | 5,858 | 11,013 | 14,823 | 11,344 |
| ROE/ISC Operations | 3730 | | | | | | | | |
| Supervisory Expense | 3745 | | | | | | | | |
| ADA Safety & Educational Block Grant | 3775 | 6,135 | 1,650 | 4,639 | 13,106 | 1,375 | 3,353 | 4,178 | 2,103 |
| Arts, Education & Foreign Language | 3962 | | | | | | | | |
| Children Mental Health | 3990 | | | | | | | | |
| Title VI Rural Education | 4107 | | | 26,383 | | | | | |
| National School Lunch Program | 4210 | 128,015 | 56,368 | 116,477 | 669,438 | 47,115 | 76,780 | 131,965 | 34,322 |
| Special Milk Program | 4215 | | | | | | | | |
| School Breakfast Program | 4220 | 21,154 | 17,678 | 41,149 | 212,737 | 14,500 | 25,307 | 12,185 | 4,310 |
| IASA - Title I - Low Income | 4300 | 164,355 | 62,739 | 272,848 | 759,818 | 164,121 | 57,143 | 164,088 | 198,506 |
| IASA - Even Start | 4335 | | | | | | | | |
| Title I Reading 1st Part | 4337 | | | | | | | | |
| Title IV - Safe & Drug Free Schools - Formula | 4400 | | | | | | | 296 | 2,687 |
| Special Ed IDEA | 4625 | 3,686 | | | 1,199 | | 3,012 | 3,940 | 2,518 |
| ARRA-General State Aid+-B16-Sec. 18-8 | 4850 | | | | | | | | |
| ARRA-Title I-Low Income | 4851 | 2,183 | 3,301 | 69,552 | 7,279 | 18,297 | 15,974 | 29,029 | 32,946 |
| ARRA-Tech-Enhancing Education | 4861 | 85,811 | 42,900 | | | | | | |
| ARRA-Education Jobs | 4880 | 527,196 | 127,561 | 410,352 | 1,068,189 | 99,723 | 276,548 | 383,619 | |
| Title II - Teacher Quality | 4932 | 46,963 | 24,616 | 53,935 | 229,283 | 21,477 | 27,561 | 40,278 | 54,773 |
| Title II - Leadership | 4935 | | | | | | | | |
| Technology Enhancing Education - Formula | 4971 | 125 | | | | | | | |
| Other Federal Programs | 4999 | | | | | | | | |
| | | <u>\$ 6,800,636</u> | <u>\$ 2,338,831</u> | <u>\$ 5,354,854</u> | <u>\$ 19,539,173</u> | <u>\$ 1,775,546</u> | <u>\$ 3,763,655</u> | <u>\$ 4,986,980</u> | <u>\$ 1,054,419</u> |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES
 For the Year Ended June 30, 2011

| Program Description | Program Number | Arcola CUSD #306 | Shiloh CUSD #1 | Kansas CUSD #3 | Paris Crestwood CUSD #4 | Lovington CUSD #303 | Cowden Herrick CUSD #3A | Shelbyville CUSD #4 |
|---|----------------|---------------------|---------------------|-------------------|-------------------------|---------------------|-------------------------|---------------------|
| General State Aid - Sec. 18-8 | 3001 | \$ 2,039,251 | \$ 556,134 | \$ 618,444 | \$ 1,819,749 | \$ 776,578 | \$ 1,773,560 | \$ 3,479,390 |
| State Aid Hold Harmless | 3002 | | | | | | | |
| Transition Assistance | 3009 | | | | | | | |
| Reorganization Incentive | 3021 | | | | | | | |
| Sp. Ed. - Private Facility Tuition | 3100 | | | | | | 2,198 | 122 |
| Sp. Ed. - Extraordinary | 3105 | 140,111 | 79,352 | 45,865 | 131,005 | 55,437 | 81,708 | 222,819 |
| Sp. Ed. - Personnel | 3110 | 180,692 | 89,736 | 28,749 | 79,358 | 81,504 | 85,154 | 229,870 |
| Sp. Ed. - Orphanage - Individual | 3120 | | | | | 17,893 | 22,446 | 49,647 |
| Sp. Ed. - Orphanage - Summer | 3130 | | | | | | | |
| Sp. Ed. - Summer School | 3145 | | | | | | | |
| Bilingual Ed. - Downstate - TPI & TBE | 3305 | 17,796 | | | | | | |
| Gifted Education | 3350 | | | | | | | |
| State Free Lunch & Breakfast | 3360 | 4,420 | 5,160 | 1,451 | 1,311 | 1,414 | 4,260 | 10,056 |
| School Breakfast Incentive | 3365 | 24 | 38 | 24 | | 33 | 110 | 77 |
| Driver Education | 3370 | 8,316 | 5,545 | 2,488 | 11,030 | 3,237 | 6,708 | 16,263 |
| Transportation - Regular & Vocational | 3500 | 58,010 | 124,371 | 35,300 | 239,323 | 41,889 | 96,888 | 144,763 |
| Transportation - Special Education | 3510 | 181,585 | 101,891 | 6,857 | 48,940 | 51,832 | 92,016 | 79,732 |
| ROE School Bus Driver Training | 3520 | | | | | | | |
| Truants Alternative/Operational Ed. | 3695 | | | | | | | |
| Regional Safe Schools | 3696 | | | | | | | |
| Early Childhood - Block Grant | 3705 | | 143,708 | | | | | 108,000 |
| Reading Improvement Block Grant | 3715 | 10,399 | 7,320 | 4,369 | 9,777 | 3,958 | 13,024 | 16,126 |
| ROE/ISC Operations | 3730 | | | | | | | |
| Supervisory Expense | 3745 | | | | | | | |
| ADA Safety & Educational Block Grant | 3775 | 3,186 | 1,835 | 1,043 | 3,295 | 1,308 | 1,849 | 5,190 |
| Arts, Education & Foreign Language | 3962 | | | | | | | |
| Children Mental Health | 3990 | | | | | | | |
| Title VI Rural Education | 4107 | | | | | | | |
| National School Lunch Program | 4210 | 68,640 | 68,788 | 25,507 | 44,109 | 33,976 | 60,264 | 123,713 |
| Special Milk Program | 4215 | | | | | | | |
| School Breakfast Program | 4220 | 14,395 | 26,050 | 10,307 | | 5,321 | 19,110 | 33,483 |
| IASA - Title I - Low Income | 4300 | 82,757 | 98,809 | 60,380 | 56,118 | 26,800 | 68,504 | 79,553 |
| IASA - Even Start | 4335 | | | | | | | |
| Title I Reading 1st Part | 4337 | | | | | | | |
| Title IV - Safe & Drug Free Schools - Formula | 4400 | | 404 | | | | 464 | |
| Special Ed IDEA | 4625 | | 1,221 | 319 | 905 | 1,943 | | 24,595 |
| ARRA-General State Aid+-B16-Sec. 18-8 | 4850 | | | | | | | |
| ARRA-Title I-Low Income | 4851 | | 3,216 | 5,312 | 6,477 | 1,460 | | 10,397 |
| ARRA-Tech-Enhancing Education | 4861 | | | | | | | |
| ARRA-Education Jobs | 4880 | 33,872 | 51,876 | 48,579 | 202,497 | 91,499 | 197,356 | 299,910 |
| Title II - Teacher Quality | 4932 | 14,870 | 30,941 | 4,819 | 22,869 | 5,803 | 25,255 | 49,767 |
| Title II - Leadership | 4935 | | | | | | | |
| Technology Enhancing Education - Formula | 4971 | | | | | | | |
| Other Federal Programs | 4999 | | | | | | | |
| | | <u>\$ 2,858,324</u> | <u>\$ 1,396,395</u> | <u>\$ 899,813</u> | <u>\$ 2,676,763</u> | <u>\$ 1,201,885</u> | <u>\$ 2,550,874</u> | <u>\$ 4,983,473</u> |

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES

For the Year Ended June 30, 2011

| Program Description | Program Number | Central A&M CUSD #21 | Edgar Chrisman CUSD #6 | ROE/PDD | TAOEP Lake Land College | Bridges & Youth Services Programs | Other Programs | Total |
|---|----------------|-------------------------|------------------------------|-------------------|-------------------------------|---|---------------------|----------------------|
| General State Aid - Sec. 18-8 | 3001 | \$ 2,835,496 | \$ 1,044,702 | \$ 16,888 | \$ 354,636 | \$ 489,492 | | \$ 44,592,579 |
| State Aid Hold Harmless | 3002 | | | | | | | - |
| Transition Assistance | 3009 | | | | | | | - |
| Reorganization Incentive | 3021 | | | | | | \$ 6,000 | 6,000 |
| Sp. Ed. - Private Facility Tuition | 3100 | | | | | | | 84,127 |
| Sp. Ed. - Extraordinary | 3105 | 152,759 | 65,733 | | | | | 2,661,308 |
| Sp. Ed. - Personnel | 3110 | 2,693 | 73,635 | | | | | 2,457,065 |
| Sp. Ed. - Orphanage - Individual | 3120 | 737,868 | | | | | | 837,686 |
| Sp. Ed. - Orphanage - Summer | 3130 | 67,876 | | | | | | 67,876 |
| Sp. Ed. - Summer School | 3145 | | 321 | | | | | 2,236 |
| Bilingual Ed. - Downstate - TPI & TBE | 3305 | | | | | | | 17,796 |
| Gifted Education | 3350 | | | | | | | - |
| State Free Lunch & Breakfast | 3360 | 5,576 | 3,453 | | | 1,689 | | 112,204 |
| School Breakfast Incentive | 3365 | 127 | 3 | | | 38 | | 953 |
| Driver Education | 3370 | 10,832 | 8,849 | | | | | 190,928 |
| Transportation - Regular & Vocational | 3500 | 57,201 | 89,191 | | | | | 2,824,495 |
| Transportation - Special Education | 3510 | 100,663 | 38,328 | | | | | 1,720,076 |
| ROE School Bus Driver Training | 3520 | | | | | | 1,375 | 1,375 |
| Truants Alternative/Operational Ed. | 3695 | | | | | 97,181 | | 97,181 |
| Regional Safe Schools | 3696 | | | | | 166,674 | | 166,674 |
| Early Childhood - Block Grant | 3705 | 55,481 | 20,608 | | | | 1,072,910 | 4,320,953 |
| Reading Improvement Block Grant | 3715 | 10,394 | 5,063 | | | | | 220,079 |
| ROE/ISC Operations | 3730 | | | 62,271 | | | | 62,271 |
| Supervisory Expense | 3745 | | | | | | | - |
| ADA Safety & Educational Block Grant | 3775 | 3,243 | 1,616 | | | | | 59,104 |
| Arts, Education & Foreign Language | 3962 | | | | | | | - |
| Children Mental Health | 3990 | | | | | | | - |
| Title VI Rural Education | 4107 | | | | | | | 26,383 |
| National School Lunch Program | 4210 | 114,056 | 44,867 | | | 25,541 | | 1,869,941 |
| Special Milk Program | 4215 | | | | | | | - |
| School Breakfast Program | 4220 | 29,239 | 33,168 | | | 15,631 | | 535,724 |
| IASA - Title I - Low Income | 4300 | 40,174 | 49,997 | | | | | 2,406,710 |
| IASA - Even Start | 4335 | | | | | | | - |
| Title I Reading 1st Part | 4337 | | | | | | | - |
| Title IV - Safe & Drug Free Schools - Formula | 4400 | | | | | | | 3,851 |
| Special Ed IDEA | 4625 | | | | | | | 43,338 |
| ARRA-General State Aid+-B16-Sec. 18-8 | 4850 | | | | | | | - |
| ARRA-Title I-Low Income | 4851 | | 1,160 | | | | | 206,583 |
| ARRA-Tech-Enhancing Education | 4861 | | | | | | | 128,711 |
| ARRA-Education Jobs | 4880 | 263,102 | 95,120 | | 71,463 | 37,761 | | 4,286,223 |
| Title II - Teacher Quality | 4932 | 39,739 | 18,752 | | | 1,184 | | 712,885 |
| Title II - Leadership | 4935 | | | 90,339 | | | | 90,339 |
| Technology Enhancing Education - Formula | 4971 | | | | | | | 125 |
| Other Federal Programs | 4999 | | | | | | | - |
| | | <u>\$ 4,526,519</u> | <u>\$ 1,594,566</u> | <u>\$ 169,498</u> | <u>\$ 426,099</u> | <u>\$ 835,191</u> | <u>\$ 1,080,285</u> | <u>\$ 70,813,779</u> |

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See accompanying Independent Auditor's Report.