

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, 2013

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, 2013

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CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

For the Year Ended June 30, 2013

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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, 2013

Regional Superintendent (Current and During the Audit Period)

Dr. Bobbi Mattingly

Assistant Regional Superintendent (During the Audit Period)

Ms. Michele Lindenmeyer

Assistant Regional Superintendent (Current, Effective July 1, 2013)

Mr. Kyle Thompson

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, 2013

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	2	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.

SUMMARY OF FINDINGS AND RESPONSES

Item No.	Page	Description	Finding Type
<i>FINDINGS (GOVERNMENT AUDITING STANDARDS)</i>			
2013-001	9	Controls Over Financial Statement Preparation	Significant Deficiency
2013-002	11	Internal Control Over Cash	Significant Deficiency

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

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 February 20, 2014. Attending from the Regional Office of Education#11 were Bobbi Mattingly, Regional Superintendent, and Elizabeth Peterson, Bookkeeper. Attending from Doehring, Winders & Co. LLP were Larry Nichols, CPA, Principal, and Megan Coy, CPA, Manager. Responses to the recommendations were provided by Elizabeth Peterson in an email dated January 8, 2014.

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

FINANCIAL STATEMENT REPORT SUMMARY

For the Year Ended June 30, 2013

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 unmodified 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 61938

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the Regional Office of Education #11's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Clark, Coles, Cumberland, Douglas, Edgar, Moultrie and Shelby Counties Regional Office of Education #11, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 17-24 and Illinois Municipal Retirement Fund Schedule of Funding Progress on page 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 and individual nonmajor fund financial statements and budgetary comparison schedules 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 and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2014 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Regional Office of Education #11's internal control over financial reporting and compliance.

Doehring, Winters & Co. LLP

Mattoon, Illinois
February 25, 2014

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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2013, and the related notes to the financial statements, which collectively comprise the Regional Office of Education #11's basic financial statements, and have issued our report thereon dated February 25, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Regional Office of Education #11's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #11's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2013-001 and 2013-002 that we consider to be significant deficiencies.

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*.

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* (Continued)

Regional Office of Education #11's Responses to Findings

The Regional Office of Education #11's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The Regional Office of Education #11's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Regional Office of Education #11's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Regional Office of Education #11's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Doehring, Winders & Co. L L P

Mattoon, Illinois
February 25, 2014

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, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? Yes
- 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

FINANCIAL STATEMENT FINDINGS

For the Year Ended June 30, 2013

FINDING NO. 2013-001 - Controls Over Financial Statement Preparation (Repeat of Finding 12-01, 11-01, 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 of Education #11's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* (Statement), requires governments to present government-wide and fund financial statements as well as a summary reconciliation of the (a) total governmental funds balances to the net position of governmental activities in the Statement of Net Position, and (b) total change in governmental fund balances to the change in the net position of governmental activities in the Statement of Activities. In addition, the Statement requires information about the government's major and nonmajor funds in the aggregate, to be provided in the fund financial statements.

Condition:

The Regional Office of Education #11 does not have sufficient internal controls over the financial reporting process. The Regional Office of Education #11 maintains its accounting records on cash basis accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office of Education #11 maintains controls over the processing of most accounting transactions, and attempts to prepare the basic financial statements, 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.

During review of the Regional Office of Education #11's financial statements prepared by the Regional Office of Education #11, the following were noted:

- * The Regional Office's financial information required material adjusting entries related to the conversion of its financial statements from cash to accrual basis of accounting based on documentation provided by the Regional Office in order to present its financial statements in accordance with generally accepted accounting principles. Proposed adjusting entries were approved and accepted by Regional Office management.
- * In fiscal year 2013, the Regional Office was able to prepare the individual funds financial statements as well as the notes to the financial statements. However, the government-wide financial statements which include the Statement of Net Position, Statement of Activities, Governmental Funds Balance Sheet, Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Proprietary Fund Statement of Cash Flows, were not properly prepared.

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

SCHEDULE OF FINDINGS AND RESPONSES

FINANCIAL STATEMENT FINDINGS

For the Year Ended June 30, 2013

FINDING NO. 2013-001 - Controls Over Financial Statement Preparation (Repeat of Finding 12-01, 11-01, 10-01, 09-01, 08-02, and 07-03) (continued)

Effect:

The Regional Office of Education #11 management or its 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 the Regional Office of Education #11 management, this was the Regional Office's second time preparing financial statements. Some additional experience is needed to address all disclosure issues.

Recommendation:

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

Management's Response:

The Regional Office of Education #11 understands the nature of the deficiency. The Regional Office believes that seeking additional accounting expertise in the form of another accounting firm or appropriately trained individual to prepare and/or review financial statements would reduce the funds available to provide the educational services for the schools in the region. Therefore, the Regional Office of Education #11 will continue to prepare the financial statements internally and continue to seek additional knowledge and training for staff members to ensure that all financial statements, including disclosures, are complete and accurate. Regional Office of Education #11 accepts the degree of risk associated with this condition.

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

SCHEDULE OF FINDINGS AND RESPONSES

FINANCIAL STATEMENT FINDINGS

For the Year Ended June 30, 2013

FINDING NO. 2013-002 - Internal Control over Cash

Criteria/specific requirement

The Regional Office of Education #11 is responsible for establishing and maintaining a system of internal controls over cash to prevent errors and fraud.

Condition:

During review of the Regional Office of Education #11's cash records, the following were noted:

- * Although it appears that a review of the monthly bank reconciliations is being performed, insufficient detail of outstanding deposits and checks was noted in the reconciliation that would enable replication of such review.
- * During our review of the year-end bank reconciliation, we noted 3 checks in the total amount of \$232 that were issued after year-end but posted to fiscal year 2013 activity.
- * Bank reconciliations after year-end are not being performed until the fiscal year being audited is closed in the Regional Office of Education #11's accounting software, which is near the completion of the audit. The bank reconciliations for July 2012 through December 2012 were prepared in January 2013. In addition, the February 2013 bank reconciliation was not prepared until April 2013, the March 2013 bank reconciliation was not prepared until May 2013, and the May 2013 bank reconciliation was not prepared until July 2013. Although the original bank reconciliation for June 2013 was prepared in July 2013, the printed reconciliation in the file did not reconcile to the bank balance by \$232.

Effect:

The Regional Office of Education #11's management or its employees, in the normal course of performing their assigned functions, may not prevent or detect a misstatement in a timely manner.

Cause:

According to the Regional Office of Education #11 management, they were unable to complete the reconciliations for July 2012 through December 2012 because the accounting records were not closed due to the ongoing audit. The other bank reconciliations that were not prepared timely were due to management oversight.

Recommendation:

As part of internal control over cash, the Regional Office of Education #11 should prepare monthly bank reconciliations when bank statements are received. The supporting documentation for the bank reconciliations should include an outstanding check and deposit list that agrees to the bank reconciliation.

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

SCHEDULE OF FINDINGS AND RESPONSES

FINANCIAL STATEMENT FINDINGS

For the Year Ended June 30, 2013

FINDING NO. 2013-002 - Internal Control Over Cash (continued)

Management's Response:

The Regional Office of Education #11 recognizes the need for changes to controls over cash. The Regional Office will implement additional controls so that the instances noted in the finding do not occur in the future.

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, 2013

Corrective Action Plan

2013-001 Controls Over Financial Statement Preparation (Repeat of Finding 12-01, 11-01, 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. The Regional Office of Education #11 maintains its accounting records on cash basis accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office of Education #11 maintains controls over the processing of most accounting transactions, and attempts to prepare the basic financial statements, 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.

During review of the Regional Office of Education #11's financial statements prepared by the Regional Office of Education #11, the following were noted:

- * The Regional Office's financial information required material adjusting entries related to the conversion of its financial statements from cash to accrual basis of accounting based on documentation provided by the Regional Office in order to present its financial statements in accordance with generally accepted accounting principles. Proposed adjusting entries were approved and accepted by Regional Office management.
- * In fiscal year 2013, the Regional Office was able to prepare the individual funds financial statements as well as the notes to the financial statements. However, the government-wide financial statements which include the Statement of Net Position, Statement of Activities, Governmental Funds Balance Sheet, Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Proprietary Fund Statement of Cash Flows, were not properly prepared.

Plan:

The Regional Office of Education #11 understands the nature of the deficiency. The Regional Office believes that seeking additional accounting expertise in the form of another accounting firm or appropriately trained individual to prepare and/or review financial statements would reduce the funds available to provide the educational services for the schools in the region. Therefore, the Regional Office of Education #11 will continue to prepare the financial statements internally and continue to seek additional knowledge and training for staff members to ensure that all financial statements, including disclosures, are complete and accurate. Regional Office of Education #11 accepts the degree of risk associated with this condition.

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

CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS

For the Year Ended June 30, 2013

Corrective Action Plan

2013-002 Internal Control Over Cash

Condition:

During review of the Regional Office of Education #11's cash records, the following were noted:

- * Although it appears that a review of the monthly bank reconciliations is being performed, insufficient detail of outstanding deposits and checks was noted in the reconciliation that would enable replication of such review.
- * During our review of the year-end bank reconciliation, we noted 3 checks in the total amount of \$232 that were issued after year-end but posted to fiscal year 2013 activity.
- * Bank reconciliations after year-end are not being performed until the fiscal year being audited is closed in the Regional Office of Education #11's accounting software, which is near the completion of the audit. The bank reconciliations for July 2012 through December 2012 were prepared in January 2013. In addition, the February 2013 bank reconciliation was not prepared until April 2013, the March 2013 bank reconciliation was not prepared until May 2013, and the May 2013 bank reconciliation was not prepared until July 2013. Although the original bank reconciliation for June 2013 was prepared in July 2013, the printed reconciliation in the file did not reconcile to the bank balance by \$232.

Plan:

The Regional Office of Education #11 will implement changes to the Internal Controls over Cash. The Regional Office will begin maintaining a list of outstanding payroll checks, disbursement checks, EFT's, & receipts that match the bank reconciliation sheet to the cash balance and accounting software balance. The Regional Office will also close the accounting system software as of July 1st. This will ensure that no checks are issued after year end and also allow bank statement reconciliations to be completed immediately. Previously, the Regional Office was not able to close the accounting system software prior to the receipt of prior fiscal year audit entries. The Regional Office of Education #11 will accept the risk that audit entries from prior years will need new accounts created in order to ensure bank statement reconciliations are completed in a timely manner.

Anticipated Date of Completion:

December 1, 2013

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, 2013

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
12-01	Controls Over Financial Statement Preparation	Repeated as 2013-001

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, 2013

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, 2013. 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 \$395,248 in FY 12 to \$352,931 in FY 13, and the Institute Fund balance decreased from \$101,785 to \$73,227.
- Within the Proprietary Fund, Total Net Position decreased from \$174,548 to \$167,253.

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 Position 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 Nonmajor Funds.

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, 2013

Reporting the Office as a Whole

The Statement of Net Position 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 Position 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 position and how it has changed. Net position, 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 position 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, 2013

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 Position, Statement of Revenues, Expenses, Changes in Fund Net Position, 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 Position. 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 position may serve over time as a useful indicator of the financial position. The Regional Office's governmental activities net position at the end of FY 13 totaled \$450,940. This compared to \$551,239 at the end of FY 12. The analysis that follows provides a summary of the Office's net position at June 30, 2013 and June 30, 2012 for the governmental and business-type activities.

Condensed Statement of Net Position
Governmental Activities

	2013	2012	Increase/ (Decrease)
Current assets	\$ 575,620	\$ 656,896	\$ (81,276)
Capital assets, being depreciated, net	12,311	4,515	7,796
Total assets	587,931	661,411	(73,480)
Current liabilities	102,985	110,172	(7,187)
Noncurrent liabilities	34,006	-	34,006
Total liabilities	136,991	110,172	26,819
Net position:			
Net investment in capital assets	12,311	4,515	7,796
Restricted for educational purposes	111,540	151,476	(39,936)
Unrestricted	327,089	395,248	(68,159)
Total net position	\$ 450,940	\$ 551,239	\$ (100,299)

The Regional Office of Education's governmental Net Position decreased from \$551,239 to \$450,940. Cash and cash equivalents made up the majority of current assets. In addition, net position 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, 2013

Government-Wide Financial Analysis (continued)

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

	2013	2012	Increase/ (Decrease)
Current assets	\$ 167,992	\$ 171,694	\$ (3,702)
Capital assets, being depreciated, net	1,427	2,854	(1,427)
Total assets	<u>169,419</u>	<u>174,548</u>	<u>(5,129)</u>
Current liabilities	<u>2,166</u>	-	<u>2,166</u>
Net position:			
Net investment in capital assets	1,427	2,854	(1,427)
Unrestricted	<u>165,826</u>	<u>171,694</u>	<u>(5,868)</u>
Total net position	<u>\$ 167,253</u>	<u>\$ 174,548</u>	<u>\$ (7,295)</u>

The Regional Office of Education #11 uses its business-type net position to provide workshops and training services to school districts in the Region. The decrease in total net position was primarily due to decreased number of schools in the Consortium which resulted in a decrease in revenue.

The following analysis shows the changes in net position for governmental and business-type activities for the years ended June 30, 2013 and June 30, 2012.

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, 2013

Government-Wide Financial Analysis (continued)

Statement of Activities
Governmental Activities

	2013	2012	Increase/ (Decrease)
Revenues:			
Program revenues:			
Operating grants and contributions	\$ 313,041	\$ 352,067	\$ (39,026)
General revenues			
Local sources	404,853	420,002	(15,149)
State sources	771,912	797,731	(25,819)
On-behalf payment	487,594	460,555	27,039
Investment earnings	547	1,042	(495)
Total revenues	<u>1,977,947</u>	<u>2,031,397</u>	<u>(53,450)</u>
Expenses:			
Program expenses:			
Instructional services			
Salaries and benefits	975,694	981,847	(6,153)
Purchased services	265,767	280,884	(15,117)
Supplies and materials	52,261	63,068	(10,807)
Other objects	4,920	6,005	(1,085)
Depreciation expense	2,857	2,506	351
Payments to other governments	289,153	287,991	1,162
Administrative expenses:			
On-behalf payments - state	487,594	460,555	27,039
Total expenses	<u>2,078,246</u>	<u>2,082,856</u>	<u>(4,610)</u>
Change in net position	(100,299)	(51,459)	(48,840)
Net position - beginning	<u>551,239</u>	<u>602,698</u>	<u>(51,459)</u>
Net position - ending	<u>\$ 450,940</u>	<u>\$ 551,239</u>	<u>\$ (100,299)</u>

Revenues for governmental activities were \$1,977,947 and expenses were \$2,078,246. The decrease in total revenue is due to cut in grant funding. Several grant funds decreased in FY 13 (i.e. ROE/ISC Operations, Truants Alternative/Optional Education & Regional Safe Schools).

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, 2013

Government-Wide Financial Analysis (continued)

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

	2013	2012	Increase/ (Decrease)
Revenues:			
Program revenues:			
Charges for services	\$ 57,724	\$ 78,760	\$ (21,036)
General revenues			
Investment earnings	167	380	(213)
Total revenues	57,891	79,140	(21,249)
Expenses:			
Salaries and benefits	11,834	76,272	(64,438)
Purchased services	48,868	72,288	(23,420)
Supplies and materials	3,057	4,090	(1,033)
Depreciation expense	1,427	2,324	(897)
Total expenses	65,186	154,974	(89,788)
Change in net position	(7,295)	(75,834)	68,539
Net position - beginning	174,548	250,382	(75,834)
Net position - ending	\$ 167,253	\$ 174,548	\$ (7,295)

Revenues for the business-type activities were \$57,891 and expenses were \$65,186 resulting in an overall decrease in total net position of \$7,295. This was primarily due to continued decrease in the number of schools participating in the Consortium which resulted in a decrease in revenue. FY 13 was the was last year for Consortium funding.

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, 2013

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), was decreased because of the decrease in interest rates.
- County support for the Regional Office of Education #11 maintained level at \$273,050.
- There was level funding in the state aid of \$6,119 per student; however, due to 89.16% appropriations, State Aid and General State Aid TAOEP funding was decreased by 10.84% proportionally over 22 equal installments for FY 13. Other grant funds decreased as follows: After excluding the effect of deferred revenue, the Truants Alternative/Optional Education grant decreased from \$96,522 to \$86,435 and the Regional Safe Schools grant decreased from \$116,853 to \$86,048.

Proprietary Fund Highlights:

The Regional Office of Education #11's Local Workshop Fund operated at a loss in FY 13. PD staff was downsized and positions combined to eliminate salary and purchased service expenses during FY 13 in order for the Local Workshop Fund to operate at a profit. The Professional Development Consortium decreased from ten to seven schools resulting in a decrease in revenue from \$45,630 in FY 12 to \$34,245 in FY 13, after excluding the effect of deferred revenue.

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. See Note 8 in the financial statements for more detail of the capital assets.

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, 2013

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 14, but was only funded at 86% 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 are now on schedule for payment.
- County Board support of the Regional Office of Education #11 will increase by 3% for the next fiscal year.
- The Professional Development Consortium - Local Workshops will not include the Consortium schools for FY 14.

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 POSITION

June 30, 2013

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current Assets:			
Cash and cash equivalents	\$ 400,712	\$ 102,021	\$ 502,733
Investments	121,521	62,518	184,039
Prepaid expense	7,209	708	7,917
Due from other governments:			
Local	3,685	2,745	6,430
State	30,185	-	30,185
Federal	12,308	-	12,308
Total Current Assets	575,620	167,992	743,612
Noncurrent Assets:			
Capital assets, net of depreciation	12,311	1,427	13,738
Total Noncurrent Assets	12,311	1,427	13,738
Total Assets	587,931	169,419	757,350
Liabilities			
Current Liabilities:			
Accounts payable	18,334	306	18,640
Payroll liabilities	71,144	-	71,144
Due to other governments:			
Local	13,143	-	13,143
State	364	-	364
Deferred revenue	-	1,860	1,860
Total Current Liabilities	102,985	2,166	105,151
Noncurrent Liabilities:			
IMRF net pension obligation	34,006	-	34,006
Total Liabilities	136,991	2,166	139,157
Net Position			
Net investment in capital assets	12,311	1,427	13,738
Restricted for educational purposes	111,540	-	111,540
Unrestricted	327,089	165,826	492,915
Total Net Position	\$ 450,940	\$ 167,253	\$ 618,193

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, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	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	\$ 975,694	\$ -	\$ 224,265	\$ -	\$ (751,429)	\$ -	\$ (751,429)
Purchased services	265,767	-	82,352	-	(183,415)	-	(183,415)
Supplies and materials	52,261	-	6,424	-	(45,837)	-	(45,837)
Other objects	4,920	-	-	-	(4,920)	-	(4,920)
Depreciation expense	2,857	-	-	-	(2,857)	-	(2,857)
Payments to other governments	289,153	-	-	-	(289,153)	-	(289,153)
Administrative:							
On-behalf payments - state	487,594	-	-	-	(487,594)	-	(487,594)
Total governmental activities	<u>2,078,246</u>	<u>-</u>	<u>313,041</u>	<u>-</u>	<u>(1,765,205)</u>	<u>-</u>	<u>(1,765,205)</u>
Business-type activities							
Other	<u>65,186</u>	<u>57,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,462)</u>	<u>(7,462)</u>
Total business-type activities	<u>65,186</u>	<u>57,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,462)</u>	<u>(7,462)</u>
Total primary government	<u>\$ 2,143,432</u>	<u>\$ 57,724</u>	<u>\$ 313,041</u>	<u>\$ -</u>	<u>(1,765,205)</u>	<u>(7,462)</u>	<u>(1,772,667)</u>
General Revenues:							
Local sources					404,853	-	404,853
State sources					771,912	-	771,912
On-behalf payments					487,594	-	487,594
Investment earnings					547	167	714
Total general revenues and transfers					<u>1,664,906</u>	<u>167</u>	<u>1,665,073</u>
Change in net position					(100,299)	(7,295)	(107,594)
Net position - beginning					<u>551,239</u>	<u>174,548</u>	<u>725,787</u>
Net position - ending					<u>\$ 450,940</u>	<u>\$ 167,253</u>	<u>\$ 618,193</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, 2013

	General Fund	Education Fund	Institute Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 273,002	\$ 33,135	\$ 73,591	\$ 20,984	\$ -	\$ 400,712
Investments	104,192	17,329	-	-	-	121,521
Prepaid expense	7,209	-	-	-	-	7,209
Due from other funds	56,933	-	-	-	(56,933)	-
Due from other governments						
Local	275	3,410	-	-	-	3,685
State	8,249	21,936	-	-	-	30,185
Federal	-	12,308	-	-	-	12,308
Total assets	<u>\$ 449,860</u>	<u>\$ 88,118</u>	<u>\$ 73,591</u>	<u>\$ 20,984</u>	<u>\$ (56,933)</u>	<u>\$ 575,620</u>
Liabilities:						
Accounts payable	\$ 18,334	\$ -	\$ -	\$ -	\$ -	\$ 18,334
Payroll liabilities	57,113	14,031	-	-	-	71,144
Due to other funds	175	56,758	-	-	(56,933)	-
Due to other governments						
Local	13,143	-	-	-	-	13,143
State	-	-	364	-	-	364
Deferred revenue	8,164	3,410	-	-	-	11,574
Total liabilities	<u>96,929</u>	<u>74,199</u>	<u>364</u>	<u>-</u>	<u>(56,933)</u>	<u>114,559</u>
Fund Balance (Deficit):						
Nonspendable	7,209	-	-	-	-	7,209
Restricted	-	17,329	73,227	20,984	-	111,540
Assigned	273,636	-	-	-	-	273,636
Unassigned	72,086	(3,410)	-	-	-	68,676
Total fund balance	<u>352,931</u>	<u>13,919</u>	<u>73,227</u>	<u>20,984</u>	<u>-</u>	<u>461,061</u>
Total liabilities and fund balance	<u>\$ 449,860</u>	<u>\$ 88,118</u>	<u>\$ 73,591</u>	<u>\$ 20,984</u>	<u>\$ (56,933)</u>	<u>\$ 575,620</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 POSITION

June 30, 2013

Total Fund balances - governmental funds	\$	461,061
Amounts reported for governmental activities in the Statement of Net Position are different 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.		11,574
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		12,311
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		<u>(34,006)</u>
Net position of governmental activities	\$	<u><u>450,940</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 BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2013

	General Fund	Education Fund	Institute Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
Revenues:						
Local sources	\$ 354,580	\$ 2,203	\$ 29,105	\$ 18,860	\$ -	\$ 404,748
State sources	775,873	234,248	-	1,375	-	1,011,496
State sources- payments made on behalf of region	487,594	-	-	-	-	487,594
Federal sources	47,492	31,301	-	-	-	78,793
Total Revenues	<u>1,665,539</u>	<u>267,752</u>	<u>29,105</u>	<u>20,235</u>	<u>-</u>	<u>1,982,631</u>
Expenditures:						
Instructional services						
Salaries and benefits	665,599	224,265	43,827	7,997	-	941,688
Purchased services	214,090	35,540	9,589	6,548	-	265,767
Supplies and materials	41,847	6,424	386	3,604	-	52,261
Other objects	1,032	-	3,888	-	-	4,920
Payments to other governments	289,153	-	-	-	-	289,153
Payments made on behalf of region	487,594	-	-	-	-	487,594
Capital outlay	9,024	1,628	1	-	-	10,653
Total expenditures	<u>1,708,339</u>	<u>267,857</u>	<u>57,691</u>	<u>18,149</u>	<u>-</u>	<u>2,052,036</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(42,800)</u>	<u>(105)</u>	<u>(28,586)</u>	<u>2,086</u>	<u>-</u>	<u>(69,405)</u>
Other financing sources (uses):						
Transfers in	97,000	-	-	-	(37,500)	59,500
Transfers out	(97,000)	-	-	-	37,500	(59,500)
Interest	483	34	28	2	-	547
Total other financing sources (uses)	<u>483</u>	<u>34</u>	<u>28</u>	<u>2</u>	<u>-</u>	<u>547</u>
Net change in fund balances	(42,317)	(71)	(28,558)	2,088	-	(68,858)
Fund balance - beginning	<u>395,248</u>	<u>13,990</u>	<u>101,785</u>	<u>18,896</u>	<u>-</u>	<u>529,919</u>
Fund balance - ending	<u>\$ 352,931</u>	<u>\$ 13,919</u>	<u>\$ 73,227</u>	<u>\$ 20,984</u>	<u>\$ -</u>	<u>\$ 461,061</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, 2013

Net change in fund balances		\$ (68,858)
Amounts reported for governmental activities in the Statement of Activities are different 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.		
Reported in the funds - current year	\$ 11,574	
Reported in the funds - prior year	<u>(16,805)</u>	(5,231)
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.		
Capital outlay	\$ 10,653	
Depreciation	<u>(2,857)</u>	7,796
Certain expenses in the Statement of Activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in the governmental funds.		<u>(34,006)</u>
Change in net position of governmental activities		<u><u>\$ (100,299)</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 POSITION
PROPRIETARY FUNDS

JUNE 30, 2013

	Business-Type Activities- Enterprise Funds
	Local Workshops
Assets:	
Current assets:	
Cash and cash equivalents	\$ 102,021
Investments	62,518
Prepaid expenses	708
Due from other governments	
Local	2,745
Total current assets	167,992
Noncurrent assets:	
Capital assets, being depreciated, net	1,427
Total noncurrent assets	1,427
Total assets	169,419
Liabilities:	
Current Liabilities:	
Accounts payable	306
Deferred revenue	1,860
Total Current Liabilities	2,166
Net position:	
Net investment in capital assets	1,427
Unrestricted	165,826
Total net position	\$ 167,253

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 POSITION
PROPRIETARY FUNDS

For the Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds
	Local Workshops
Operating revenues:	
Local sources	\$ 57,724
Total operating revenues	57,724
Operating expenses:	
Salaries and benefits	11,834
Purchased services	48,868
Supplies and materials	3,057
Depreciation	1,427
Total operating expenses	65,186
Operating (loss)	(7,462)
Nonoperating revenues:	
Interest income	167
Total nonoperating revenue	167
Change in net position	(7,295)
Total net position - beginning	174,548
Total net position - ending	\$ 167,253

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, 2013

	Business-Type Activities- Enterprise Funds
	Local Workshops
Cash flows from operating activities:	
Workshop receipts	\$ 56,839
Payments to suppliers and providers of goods and services	(51,619)
Payments to employees	(10,907)
Net cash (used for) operating activities	(5,687)
Cash flows from investing activities:	
Purchase of investments	(156)
Interest received on investments	167
Net cash provided by investing activities	11
Net (decrease) in cash and cash equivalents	(5,676)
Cash and cash equivalents - beginning	107,697
Cash and cash equivalents - ending	\$ 102,021
Reconciliation of operating (loss) to net cash (used for) operating activities:	
Operating (loss)	\$ (7,462)
Adjustments to reconcile operating (loss) to net cash provided by (used for) operating activities:	
Depreciation	1,427
(Increase)/decrease in assets:	
(Increase) in due from other governments	(2,745)
Decrease in prepaid expense	927
Increase in liabilities:	
Increase in accounts payable	306
Increase in deferred revenue	1,860
Net cash (used for) operating activities	\$ (5,687)

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 POSITION

June 30, 2013

	<u>Agency Funds</u>
Assets	<u>\$ -</u>
Total Assets	<u><u>\$ -</u></u>
Liabilities	<u>\$ -</u>
Total Liabilities	<u><u>\$ -</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

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2013

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.

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 the 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, 2013 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).

SCOPE OF THE REPORTING ENTITY

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

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, 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

SCOPE OF THE REPORTING ENTITY (Continued)

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.

NEW ACCOUNTING PRONOUNCEMENTS

In 2013, the Regional Office of Education #11 implemented Governmental Accounting Standards Board (GASB) Statement No. 60 - *Accounting and Financial Reporting for Service Concession Arrangements*; GASB Statement No. 61 - *The Financial Reporting Entity: Omnibus*; GASB Statement No. 62 - *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and GASB Statement No. 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The Regional Office of Education #11 implemented these standards during the current year; however, GASB No. 60, 61, 62, and 63 had no significant impact on the financial statements.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position 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 Position 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 Position. 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, 2013

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 Position 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 Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. All internal balances in the Statement of Net Position 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 position and changes in net position 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 Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, 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 Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. 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, 2013

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, 2013

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 in fiscal years that interest earned exceeds bank charges. 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:

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

Driver Education - This program accounts for state funds reimbursed through Neoga CUSD#4 for classroom & behind the wheel training activities at the Regional Office of Education #11's Safe School locations (Lerna, Shelbyville, & Paris).

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.

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, 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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 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.

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

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.

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:

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.

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.

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, 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

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.

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 fund balance that is not available to be spent, either short term or long term, in either form or through legal restrictions. The nonspendable fund balance is for prepaid insurance from the County Support and Youth Service funds.

Restricted Fund Balance – The portion of a Governmental Fund's fund balance that is subject to external enforceable legal restrictions. The following accounts' fund balances are restricted by grant agreements, contracts, or Illinois Statute: ROE/ISC Operations, Institute, General Education Development, and Bus Driver Training.

Committed Fund Balance – The portion of a Governmental Fund's fund balance 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 fund balance 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 Service Fund. General funds and special revenue funds that present a deficit balance have also been reported as unassigned, which only applies to Youth Services and Driver Ed.

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, 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION

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

Net investment in capital assets - Consists of capital assets, net of accumulated depreciation.

Restricted net position- Consists of net position 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 position - All other net position that do not meet the definition of "restricted" or "net investment 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.

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

COMPENSATED ABSENCES

Sick pay must be accumulated but does not vest with the employee. Vacation time is awarded at the beginning of the fiscal year but must be used during the current fiscal year and cannot be carried over from year to year therefore, is considered immaterial by management and not reflected in the basic financial statements.

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.

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, 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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: Homeless, Truants Alternative/Optional Education, Regional Safe Schools, ROE/ISC Operations, Title II - Teacher Quality Leadership Grant, 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, 2013, the carrying amount of the Regional Office of Education #11's government-wide and Agency fund deposits were \$502,733 and \$0, respectively, and the bank balances were \$556,943 and \$0, respectively. At June 30, 2013, \$256,949 of the Regional Office of Education #11's cash deposits was insured by the Federal Deposit Insurance Corporation. Another \$299,994 was collateralized by securities pledged by the Regional Office's financial institution on behalf of the Regional Office.

B. INVESTMENTS

As of June 30, 2013, the Regional Office of Education #11's government-wide and Agency funds had investments with carrying and fair values of \$184,039 and \$0, respectively, invested in certificates of deposit which were fully insured by the Federal Deposit Insurance Corporation.

CREDIT RISK

At June 30, 2013, 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.

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, 2013

2 DEPOSITS AND INVESTMENTS (Continued)

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 employer 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 contribution rate for calendar year 2012 used by the employer was 9.25 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2012 was 20.41 percent. The employer 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.

C. ANNUAL PENSION COST

For calendar year ending December 31, 2012, the employer's actual contributions for pension cost for the Regular Plan were \$14,171. Its required contribution for calendar year 2012 was \$31,268.

Three-Year Trend Information for the Regular Plan:

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2012	\$ 31,268	45%	\$ 34,006
12/31/2011	32,455	45%	17,701
12/31/2010	12,827	100%	-

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, 2013

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

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, 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% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer 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 employer Regular plan's unfunded actuarial accrued liability at December 31, 2010 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, 2012, the most recent actuarial valuation date, the Regular plan was 66.08 percent funded. The actuarial accrued liability for benefits was \$470,799 and the actuarial value of assets was \$311,096, resulting in an underfunded actuarial accrued liability (UAAL) of \$159,703. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$153,200 and the ratio of the UAAL to the covered payroll was 104 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.

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, 2013, 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, 2012 and 2011.

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

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, 2013

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

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, 2013, State of Illinois contributions were based on 28.05 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #11 recognized revenue and expenditures of \$246,390 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2012 and June 30, 2011, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 24.91 percent (\$232,549) and 23.10 percent (\$198,712), 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, 2013 were \$3,921. Contributions for the years ending June 30, 2012, and June 30, 2011, were \$4,321 and \$1,969, 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, 2013, the employer pension contribution was 28.05 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2012 and 2011, the employer contribution was 24.91 and 23.10 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2013, salaries totaling \$0 were paid from federal and special trust funds that required employer contributions of \$0. For the years ended June 30, 2012, and June 30, 2011, required Regional Office of Education #11 contributions were \$2,491 and \$17,841, 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 ERO contribution under the current program is 117.5 percent and applies when the member is age 55 at retirement. For the years ended June 30, 2013, 2012 and 2011, 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, 2013, 2012 and 2011, the Regional Office of Education #11 paid no employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent.

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, 2013

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

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 rate reported by the Regional Office of Education #11 during the four-year sick leave review period, and the TRS total normal cost rate (17.63 percent of salary during the year ended June 30, 2013).

For the years ended June 30, 2013, 2012 and 2011, 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, 2012. The report for the year ended June 30, 2013, is expected to be available in late 2013.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, IL 62794-9253. The most current report is also available on the TRS web site at <http://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 retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it 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. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. 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 not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

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 0.92 percent of pay during the year ended June 30, 2013. State of Illinois contributions were \$6,200, 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, 2012 and June 30, 2011 were 0.88 percent of pay, both years. State contributions on behalf of Regional Office of Education #11 employees were \$6,554 and \$6,613, respectively.

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, 2013

5 TEACHER HEALTH INSURANCE SECURITY FUND (Continued)

EMPLOYER CONTRIBUTIONS TO THIS FUND

The Regional Office of Education #11 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.69 percent during the year ended June 30, 2013, and 0.66 percent during the years ended June 30, 2012 and 2011. For the year ended June 30, 2013, the Regional Office of Education #11 paid \$4,650 to the THIS Fund. For the years ended June 30, 2012 and 2011, the Region paid \$4,916 and \$4,960, 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 found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The 2013 report is listed under "Central Management Services". Prior reports are available under "Healthcare and Family Services".

6 DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2013 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 Position. Interfund loans were made for the purpose of providing cash to funds that were awaiting reimbursements from grantors.

Fund	Due From Other Funds	Due To Other Funds
General Fund		
County Support	\$ 56,933	\$ -
Direct Services		175
Education Fund		
ROE/ISC Operations	-	5,492
Driver Ed	-	3,410
Truants Alternative/Optional Education	-	15,713
Regional Safe Schools	-	14,148
Homeless	-	3,068
Title II - Teacher Quality Leadership	-	9,240
Illinois Violence Prevention Authority	-	5,687
	\$ 56,933	\$ 56,933

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	\$ 107,640
Regional Superintendent Fringe Benefit (Includes State paid insurance)	24,349
Assistant Regional Superintendent Salary	96,888
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	6,127
Contributions to TRS and THIS	252,590
Total	\$ 487,594

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, 2013

7 ON BEHALF PAYMENTS (Continued)

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 Position. 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, 2013:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Governmental Activities:				
General Funds				
County Support	\$ 48,006	\$ 2,499	\$ 2,303	\$ 48,202
Direct Service	-	2,335	-	2,335
Youth Services	22,778	4,190	-	26,968
Total for General Funds	<u>70,784</u>	<u>9,024</u>	<u>2,303</u>	<u>77,505</u>
Special Revenue Funds				
Major Funds				
Institute	564	1	-	565
Education Funds				
Area IV - System of Support	3,156	-	-	3,156
ROE/ISC Operations	2,169	-	-	2,169
Driver Ed	-	1,628	-	1,628
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 Educ.	7,244	-	-	7,244
Total for Education Funds	<u>83,031</u>	<u>1,628</u>	<u>-</u>	<u>84,659</u>
Total - Governmental Funds	154,379	10,653	2,303	162,729
Less: Accumulated Depreciation	<u>149,864</u>	<u>2,857</u>	<u>2,303</u>	<u>150,418</u>
Investment in Capital Assets, Net				
Governmental Activities	<u>\$ 4,515</u>	<u>\$ 7,796</u>	<u>\$ -</u>	<u>\$ 12,311</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, 2013

8 CAPITAL ASSETS (Continued)

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Business-Type Activities:				
Local Workshops	\$ 35,037	\$ -	\$ -	\$ 35,037
Less: Accumulated Depreciation	32,183	1,427	-	33,610
Investment in Capital Assets, Net	<u>\$ 2,854</u>	<u>\$ (1,427)</u>	<u>\$ -</u>	<u>\$ 1,427</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, 2013 of \$2,857 and \$1,427 was charged to governmental activities and business-type activities, respectively. Investment in capital assets is the component of net position 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 four years.

10 INTERFUND ACTIVITY

Interfund transfer in/out to other fund balances at June 30, 2013 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.

Fund	Transfer In	Transfer Out
General Fund		
County Support	\$ -	\$ 94,000
Direct Services	-	3,000
Youth Services	97,000	-
	<u>\$ 97,000</u>	<u>\$ 97,000</u>

11 DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #11's General Fund, Education Fund, Institute Fund, and Proprietary Fund have funds due to and due from various other governmental units which consist of the following at June 30, 2013:

Due from Other Governments:

General Fund	
Illinois State Board of Education	\$ 8,524
Education Fund	
Illinois State Board of Education	31,176
Local School Districts	3,410
Iroquois-Kankakee Regional Office of Education	3,068
Proprietary Fund	
Local School Districts	2,745
Total	<u>\$ 48,923</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, 2013

11 DUE TO/FROM OTHER GOVERNMENTS (Continued)

Due to Other Governments:

General Fund		
Local School Districts	\$	13,143
Institute Fund		
State Superintendent of Education		364
Total	\$	13,507

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 four copiers. During the year ended June 30, 2013 rentals under lease obligations were \$64,991. Future minimum rentals are as follows for the years ending June 30:

	2014	\$	57,097
	2015		56,447
	2016		48,589
	2017		47,952
	2018		47,034
	2019-2021		107,010
Total		\$	364,129

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. 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, 2013.

14 OTHER REQUIRED FUND DISCLOSURES

Deficit fund balance at June 30, 2013 is as follows:

Drivers Ed	\$	3,410
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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, 2013

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)
12/31/12	311,096	470,799	159,703	66.08%	153,200	104.24%
12/31/11	409,989	501,297	91,308	81.79%	175,430	52.05%
12/31/10	324,173	512,138	187,965	63.30%	186,988	100.52%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$344,155. On a market basis, the funded ratio would be 73.10%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Regional Office of Education #11. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

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, 2013

	County Support	Direct Service	Youth Services	Total
Assets				
Cash and cash equivalents	\$ 158,391	\$ 15,619	\$ 98,992	\$ 273,002
Investments	39,561	64,631	-	104,192
Prepaid expense	5,405	-	1,804	7,209
Due from other funds	56,933	-	-	56,933
Due from other governments				
Local	100	175	-	275
State	-	-	8,249	8,249
	<u>260,390</u>	<u>80,425</u>	<u>109,045</u>	<u>449,860</u>
Total assets	<u>\$ 260,390</u>	<u>\$ 80,425</u>	<u>\$ 109,045</u>	<u>\$ 449,860</u>
Liabilities				
Accounts payable	\$ 258	\$ -	\$ 18,076	\$ 18,334
Payroll liabilities	1,902	-	55,211	57,113
Due to other funds	-	175	-	175
Due to other governments	-	-	13,143	13,143
Deferred revenue	-	-	8,164	8,164
	<u>2,160</u>	<u>175</u>	<u>94,594</u>	<u>96,929</u>
Total liabilities	<u>2,160</u>	<u>175</u>	<u>94,594</u>	<u>96,929</u>
Fund Balance (deficit)				
Nonspendable	5,405	-	1,804	7,209
Assigned	252,825	-	20,811	273,636
Unassigned	-	80,250	(8,164)	72,086
	<u>258,230</u>	<u>80,250</u>	<u>14,451</u>	<u>352,931</u>
Total fund balance	<u>258,230</u>	<u>80,250</u>	<u>14,451</u>	<u>352,931</u>
Total liabilities and fund balance	<u>\$ 260,390</u>	<u>\$ 80,425</u>	<u>\$ 109,045</u>	<u>\$ 449,860</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, 2013

	County Support	Direct Service	Youth Services	Total
Revenues				
Local sources	\$ 295,912	\$ 52,274	\$ 6,394	\$ 354,580
State sources	-	2,514	773,359	775,873
State sources-payments made on behalf of region	487,594	-	-	487,594
Federal sources	-	-	47,492	47,492
	<u>783,506</u>	<u>54,788</u>	<u>827,245</u>	<u>1,665,539</u>
Expenditures				
Salaries and benefits	178,376	4,711	482,512	665,599
Purchased services	74,621	44,292	95,177	214,090
Supplies and materials	14,825	-	27,022	41,847
Other objects	761	271	-	1,032
Payments to other governments	-	-	289,153	289,153
Payments made on behalf of region	487,594	-	-	487,594
Capital outlay	2,499	2,335	4,190	9,024
	<u>758,676</u>	<u>51,609</u>	<u>898,054</u>	<u>1,708,339</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,830</u>	<u>3,179</u>	<u>(70,809)</u>	<u>(42,800)</u>
Other financing sources (uses)				
Transfers in	-	-	97,000	97,000
Transfers out	(94,000)	(3,000)	-	(97,000)
Interest	110	372	1	483
	<u>(93,890)</u>	<u>(2,628)</u>	<u>97,001</u>	<u>483</u>
Net change in fund balances	(69,060)	551	26,192	(42,317)
Fund balance (deficit) - beginning	<u>327,290</u>	<u>79,699</u>	<u>(11,741)</u>	<u>395,248</u>
Fund balance - ending	<u>\$ 258,230</u>	<u>\$ 80,250</u>	<u>\$ 14,451</u>	<u>\$ 352,931</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, 2013

	Homeless	Driver Ed	Illinois Violence Prevention Authority
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Due from other governments:			
Local	-	3,410	-
State	-	-	5,687
Federal	3,068	-	-
	<u>3,068</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 3,068</u>	<u>\$ 3,410</u>	<u>\$ 5,687</u>
Liabilities			
Payroll liabilities	\$ -	\$ -	\$ -
Due to other funds	3,068	3,410	5,687
Deferred revenue	-	3,410	-
	<u>3,068</u>	<u>6,820</u>	<u>5,687</u>
Total liabilities	<u>3,068</u>	<u>6,820</u>	<u>5,687</u>
Fund Balance (deficit)			
Restricted	-	-	-
Unassigned	-	(3,410)	-
	<u>-</u>	<u>(3,410)</u>	<u>-</u>
Total fund balance (deficit)	<u>-</u>	<u>(3,410)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 3,068</u>	<u>\$ 3,410</u>	<u>\$ 5,687</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, 2013

	Truants Alternative/ Optional Education	Regional Safe Schools	ROE/ISC Operations
Assets			
Cash and cash equivalents	\$ 17,099	\$ 13,290	\$ 2,746
Investments	-	-	17,329
Due from other governments:			
Local	-	-	-
State	7,855	5,648	2,746
Federal	-	-	-
	<u>24,954</u>	<u>18,938</u>	<u>22,821</u>
Total assets	<u>\$ 24,954</u>	<u>\$ 18,938</u>	<u>\$ 22,821</u>
Liabilities			
Payroll liabilities	\$ 9,241	\$ 4,790	\$ -
Due to other funds	15,713	14,148	5,492
Deferred revenue	-	-	-
	<u>24,954</u>	<u>18,938</u>	<u>5,492</u>
Total liabilities	<u>24,954</u>	<u>18,938</u>	<u>5,492</u>
Fund Balance (deficit)			
Restricted	-	-	17,329
Unassigned	-	-	-
	<u>-</u>	<u>-</u>	<u>17,329</u>
Total fund balance (deficit)	<u>-</u>	<u>-</u>	<u>17,329</u>
Total liabilities and fund balance	<u>\$ 24,954</u>	<u>\$ 18,938</u>	<u>\$ 22,821</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, 2013

	Title II - Teacher Quality Leadership	Title II - Teacher Quality	Total
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ 33,135
Investments	-	-	17,329
Due from other governments:			
Local	-	-	3,410
State	-	-	21,936
Federal	9,240	-	12,308
	9,240	-	12,308
Total assets	\$ 9,240	\$ -	\$ 88,118
Liabilities			
Payroll liabilities	\$ -	\$ -	\$ 14,031
Due to other funds	9,240	-	56,758
Deferred revenue	-	-	3,410
	9,240	-	74,199
Total liabilities	9,240	-	74,199
Fund Balance (deficit)			
Restricted	-	-	17,329
Unassigned	-	-	(3,410)
	-	-	13,919
Total fund balance (deficit)	-	-	13,919
Total liabilities and fund balance	\$ 9,240	\$ -	\$ 88,118

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, 2013

	Homeless	Driver Ed	Illinois Violence Prevention Authority
Revenues			
Local sources	\$ -	\$ 2,203	\$ -
State sources	-	-	28,807
Federal sources	20,771	-	-
Total revenues	<u>20,771</u>	<u>2,203</u>	<u>28,807</u>
Expenditures			
Salaries and benefits	4,335	-	23,086
Purchased services	11,339	680	5,367
Supplies and materials	5,097	-	354
Capital outlay	-	1,628	-
Total expenditures	<u>20,771</u>	<u>2,308</u>	<u>28,807</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(105)</u>	<u>-</u>
Other financing sources:			
Interest	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(105)	-
Fund balance (deficit) - beginning	<u>-</u>	<u>(3,305)</u>	<u>-</u>
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ (3,410)</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, 2013

	Truants Alternative/ Optional Education	Regional Safe Schools	ROE/ISC Operations
Revenues			
Local sources	\$ -	\$ -	\$ -
State sources	86,435	86,048	32,958
Federal sources	-	-	-
Total revenues	<u>86,435</u>	<u>86,048</u>	<u>32,958</u>
Expenditures			
Salaries and benefits	81,100	85,623	30,121
Purchased services	5,335	425	2,304
Supplies and materials	-	-	533
Capital outlay	-	-	-
Total expenditures	<u>86,435</u>	<u>86,048</u>	<u>32,958</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:			
Interest	-	-	34
Total other financing sources	<u>-</u>	<u>-</u>	<u>34</u>
Net change in fund balances	-	-	34
Fund balance (deficit) - beginning	<u>-</u>	<u>-</u>	<u>17,295</u>
Fund balance (deficit) - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,329</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, 2013

	Title II - Teacher Quality Leadership	Title II - Teacher Quality	Total
Revenues			
Local sources	\$ -	\$ -	\$ 2,203
State sources	-	-	234,248
Federal sources	9,240	1,290	31,301
	<u>9,240</u>	<u>1,290</u>	<u>267,752</u>
Total revenues	<u>9,240</u>	<u>1,290</u>	<u>267,752</u>
Expenditures			
Salaries and benefits	-	-	224,265
Purchased services	8,800	1,290	35,540
Supplies and materials	440	-	6,424
Capital outlay	-	-	1,628
	<u>9,240</u>	<u>1,290</u>	<u>267,857</u>
Total expenditures	<u>9,240</u>	<u>1,290</u>	<u>267,857</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(105)</u>
Other financing sources:			
Interest	<u>-</u>	<u>-</u>	<u>34</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>34</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(71)</u>
Fund balance (deficit) - beginning	<u>-</u>	<u>-</u>	<u>13,990</u>
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,919</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, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 19,471	\$ 20,771	\$ 20,771
Total revenues	19,471	20,771	20,771
Expenditures			
Salaries and benefits	3,896	3,896	4,335
Purchased services	12,625	12,625	11,339
Supplies and materials	2,950	3,850	5,097
Capital outlay	-	400	-
Total expenditures	19,471	20,771	20,771
Net change in fund balance	-	-	-
Fund balance -beginning	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -

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, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 96,522	\$ 86,435	\$ 86,435
Total revenues	<u>96,522</u>	<u>86,435</u>	<u>86,435</u>
Expenditures			
Salaries and benefits	88,484	81,098	81,100
Purchased services	<u>8,038</u>	<u>5,337</u>	<u>5,335</u>
Total expenditures	<u>96,522</u>	<u>86,435</u>	<u>86,435</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
REGIONAL SAFE SCHOOLS

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 86,048	\$ 86,048	\$ 86,048
Total revenues	<u>86,048</u>	<u>86,048</u>	<u>86,048</u>
Expenditures			
Salaries and benefits	85,635	85,635	85,623
Purchased services	413	413	425
Total expenditures	<u>86,048</u>	<u>86,048</u>	<u>86,048</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
ROE/ISC OPERATIONS

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State	\$ 32,958	\$ 32,958	\$ 32,958
Total revenues	<u>32,958</u>	<u>32,958</u>	<u>32,958</u>
Expenditures			
Salaries and benefits	30,176	30,176	30,121
Purchased services	2,125	2,125	2,304
Supplies and materials	657	657	533
Total expenditures	<u>32,958</u>	<u>32,958</u>	<u>32,958</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources			
Interest	-	-	34
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>34</u>
Net change in fund balance	-	-	34
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>17,295</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,329</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, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal	\$ 9,240	\$ 9,240	\$ 9,240
Total revenues	9,240	9,240	9,240
Expenditures			
Purchased services	8,800	8,800	8,800
Supplies and materials	440	440	440
Total expenditures	9,240	9,240	9,240
Net change in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -

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, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 1,290	\$ 1,290	\$ 1,290
Total revenues	<u>1,290</u>	<u>1,290</u>	<u>1,290</u>
Expenditures			
Purchased services	<u>1,290</u>	<u>1,290</u>	<u>1,290</u>
Total expenditures	<u>1,290</u>	<u>1,290</u>	<u>1,290</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, 2013

	<u>General Education Development</u>	<u>Bus Driver Training</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 7,704	\$ 13,280	\$ 20,984
Total assets	<u>\$ 7,704</u>	<u>\$ 13,280</u>	<u>\$ 20,984</u>
Liabilities and fund balance			
Liabilities	\$ -	\$ -	\$ -
Fund Balance			
Restricted	<u>7,704</u>	<u>13,280</u>	<u>20,984</u>
Total fund balances	<u>7,704</u>	<u>13,280</u>	<u>20,984</u>
Total liabilities and fund balance	<u>\$ 7,704</u>	<u>\$ 13,280</u>	<u>\$ 20,984</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, 2013

	General Education Development	Bus Driver Training	Total
Revenues			
Local sources	\$ 13,202	\$ 5,658	\$ 18,860
State sources	-	1,375	1,375
Total revenues	<u>13,202</u>	<u>7,033</u>	<u>20,235</u>
Expenditures			
Salaries and benefits	7,997	-	7,997
Purchased services	3,257	3,291	6,548
Supplies and materials	3,604	-	3,604
Total expenditures	<u>14,858</u>	<u>3,291</u>	<u>18,149</u>
Excess (deficiency) of revenues over expenditures	<u>(1,656)</u>	<u>3,742</u>	<u>2,086</u>
Other financing sources			
Interest	<u>1</u>	<u>1</u>	<u>2</u>
Total other financing sources	<u>1</u>	<u>1</u>	<u>2</u>
Net change in fund balances	(1,655)	3,743	2,088
Fund balances - beginning	<u>9,359</u>	<u>9,537</u>	<u>18,896</u>
Fund balances - ending	<u>\$ 7,704</u>	<u>\$ 13,280</u>	<u>\$ 20,984</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 POSITION
 AGENCY FUNDS

JUNE 30, 2013

	Distributive	Regional Trustee Fund	Total
Assets	\$ -	\$ -	\$ -
Total assets	\$ -	\$ -	\$ -
Liabilities	\$ -	\$ -	\$ -
Total liabilities	\$ -	\$ -	\$ -

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, 2013

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>DISTRIBUTIVE - SEE NOTE</u>				
Assets				
Due from other governments	\$ 88,333	\$ -	\$ 88,333	\$ -
Total assets	<u>\$ 88,333</u>	<u>\$ -</u>	<u>\$ 88,333</u>	<u>\$ -</u>
Liabilities				
Due to other governments	\$ 88,333	\$ -	\$ 88,333	\$ -
Total liabilities	<u>\$ 88,333</u>	<u>\$ -</u>	<u>\$ 88,333</u>	<u>\$ -</u>
<u>REGIONAL TRUSTEE FUND</u>				
Assets				
Accounts receivable	\$ 503	\$ 1,246	\$ 1,749	\$ -
Total assets	<u>\$ 503</u>	<u>\$ 1,246</u>	<u>\$ 1,749</u>	<u>\$ -</u>
Liabilities				
Cash overdraft	\$ 381	\$ 1,246	\$ 1,627	\$ -
Deferred revenue	122	-	122	-
Total liabilities	<u>\$ 503</u>	<u>\$ 1,246</u>	<u>\$ 1,749</u>	<u>\$ -</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable	503	1,246	1,749	-
Due from other governments	88,333	-	88,333	-
Total assets	<u>\$ 88,836</u>	<u>\$ 1,246</u>	<u>\$ 90,082</u>	<u>\$ -</u>
Liabilities				
Cash overdraft	\$ 381	\$ 1,246	\$ 1,627	\$ -
Deferred revenue	122	-	122	-
Due to other governments	88,333	-	88,333	-
Total liabilities	<u>\$ 88,836</u>	<u>\$ 1,246</u>	<u>\$ 90,082</u>	<u>\$ -</u>

NOTE: Distributive Fund - Prior year amount shown as due to/from other governments related to amounts only applicable to the Regional Office of Education #11. These balances and activities are now included in the appropriate Regional Office of Education #11 fund.

See accompanying Independent Auditor's Report.