

**STATE OF ILLINOIS
CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**FINANCIAL AUDIT
(In Accordance with the Single Audit Act
and OMB Circular A-133)
For the year ended June 30, 2010**

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

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

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REGIONAL OFFICE OF EDUCATION #13**

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**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

OFFICIALS

Regional Superintendent (current and during the audit period).....Ms. Keri Garrett
Assistant Regional Superintendent (current and during the audit period)Mr. Brian P. Guthrie

Offices are located at:

Clinton County Office
930-B Fairfax
Carlyle, IL 62231

Marion County Office
Public Services Building
200 E. Schwartz
Salem, IL 62881

Washington County Office
1180 W. St. Louis Street
Nashville, IL 62263

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

COMPLIANCE REPORT SUMMARY

The compliance 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 on compliance and on internal controls do not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	1	1
Repeated audit findings	1	1
Prior recommendations implemented or not repeated	0	0

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

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
10-01	13-14	Controls Over Financial Statement Preparation	Material Weakness

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

There were no findings for the year ended June 30, 2010.

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

N/A

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

N/A

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

COMPLIANCE REPORT SUMMARY (Continued)

EXIT CONFERENCE

An informal exit conference was held on September 24, 2010. Attending were Keri Garrett, Regional Superintendent, Mary Ellen Hughes, Controller of the Regional Office of Education #13, and Nathan Earnest of West & Company, LLC. Responses to the recommendations were provided by Keri Garrett via email on January 17, 2011.

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of the Clinton, Marion, and Washington Counties Regional Office of Education #13 was performed by West & Company, LLC.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #13's basic financial statements.

MEMBERS

E. LYNN FREESE
RICHARD C. WEST
BRIAN E. DANIELL
JANICE K. ROMACK
DIANA R. SMITH
D. RAIF PERRY
JOHN H. VOGT
JOSHUA D. LOWE

CERTIFIED PUBLIC ACCOUNTANTS
&
CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clinton, Marion, and Washington Counties Regional Office of Education #13, as of and for the year ended June 30, 2010, which collectively comprise the Clinton, Marion, and Washington Counties Regional Office of Education #13's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Clinton, Marion, and Washington Counties Regional Office of Education #13's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clinton, Marion, and Washington Counties Regional Office of Education #13, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 15, 2011 on our consideration of the Clinton, Marion, and Washington Counties Regional Office of Education #13's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund - Schedule of Funding Progress on pages 18A-18J and 50 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clinton, Marion, and Washington Counties Regional Office of Education #13's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Guidelines to Auditing and Reporting for a Regional Office of Education*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

West + Company, LLC

June 15, 2011

MEMBERS

E. LYNN FREESE
RICHARD C. WEST
BRIAN E. DANIELL
JANICE K. ROMACK
DIANA R. SMITH
D. RAIF PERRY
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clinton, Marion, and Washington Counties Regional Office of Education #13, as of and for the year ended June 30, 2010, which collectively comprise the Clinton, Marion, and Washington Counties Regional Office of Education #13's basic financial statements and have issued our report thereon dated June 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Clinton, Marion, and Washington Counties Regional Office of Education #13's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clinton, Marion, and Washington Counties Regional Office of Education #13's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clinton, Marion, and Washington Counties Regional Office of Education #13's internal control over financial reporting.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in finding 10-01 in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clinton, Marion, and Washington Counties Regional Office of Education #13's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain matters which we have reported to management of the Clinton, Marion, and Washington Counties Regional Office of Education #13 in a separate letter dated June 15, 2011.

Clinton, Marion, and Washington Counties Regional Office of Education #13's response to the finding identified in our audit is described in the accompany Schedule of Findings and Questioned Costs. We did not audit Clinton, Marion, and Washington Counties Regional Office of Education #13's response and, accordingly, we express no opinion on it.

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

West & Company, LLC

June 15, 2011

MEMBERS

E. LYNN FREESE
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BRIAN E. DANIELL
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE FOR EACH PROGRAM
DETERMINED TO BE MAJOR BY THE ILLINOIS STATE BOARD OF EDUCATION IN
THEIR MONITORING OF FEDERAL PROGRAMS**

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the Clinton, Marion, and Washington Counties Regional Office of Education #13's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Clinton, Marion, and Washington Counties Regional Office of Education #13's major federal programs for the year ended June 30, 2010. The Clinton, Marion, and Washington Counties Regional Office of Education #13's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Clinton, Marion, and Washington Counties Regional Office of Education #13's management. Our responsibility is to express an opinion on the Clinton, Marion, and Washington Counties Regional Office of Education #13's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133 criteria as requested by the *Guidelines to Auditing and Reporting for a Regional Office of Education*. Those standards and criteria require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Clinton, Marion, and Washington Counties Regional Office of Education #13's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Clinton, Marion, and Washington Counties Regional Office of Education #13's compliance with those requirements.

In our opinion, the Clinton, Marion, and Washington Counties Regional Office of Education #13 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the Clinton, Marion, and Washington Counties Regional Office of Education #13 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Clinton, Marion, and Washington Counties Regional Office of Education #13's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Clinton, Marion, and Washington Counties Regional Office of Education #13's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

West + Company, LLC

June 15, 2011

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2010

Section I -- Summary of Auditors' Results

Financial statements

Type of auditors' report issued:

UNQUALIFIED

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X none reported
- Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X none reported

Type of auditors' report issued on compliance for major programs:

UNQUALIFIED

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?

yes X no

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2010

Section I -- Summary of Auditors' Results (concluded)

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of federal program or cluster</u>
84.394A	State Fiscal Stabilization Fund Cluster: State Fiscal Stabilization Fund (SFSF) - Education State Grants Recovery Act
84.397A	State Fiscal Stabilization Fund (SFSF) - Government Services Recovery Act
84.386A	ARRA-Technology-Enhancing Education Through Technology

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? _____ yes X no

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2010

Section II: Financial Statement Findings

FINDING NO. 10-01 – Controls Over Financial Statement Preparation (Repeated from Finding 09-01, 08-01, and 07-02)

Criteria/Specific Requirement:

The Regional Office of Education #13 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Regional Office of Education #13 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable or deferred revenue.
- Numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.

Effect:

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

Cause:

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

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2010

Section II - Financial Statement Findings (Continued)

FINDING NO. 10-01 – Controls Over Financial Statement Preparation (Repeated from Finding 09-01, 08-01, and 07-02) (Continued)

Auditors' Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #13 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

Management's Response:

The Regional Office of Education #13 understands the nature of this finding and realizes that this circumstance is not unusual in an entity of this size. The Regional Office of Education #13 accepts the degree of risk associated with this condition because the added expense of seeking additional accounting expertise to prepare and/or review financial statements would take away from the funds available to provide educational services for the schools in the region.

In an attempt to correct this finding, the Regional Office of Education #13 sent the Controller to various trainings to better understand accrual accounting and reporting under generally accepted accounting principles (GAAP).

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2010**

Section III: Federal Award Findings

No findings were noted for the year ended June 30, 2010.

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

CORRECTIVE ACTION PLAN FOR CURRENT YEAR
AUDIT FINDINGS

For the year ended June 30, 2010

Corrective Action Plan

Finding No.: 10-01 – Controls Over Financial Statement Preparation (Repeated from Finding 09-01, 08-01 and 07-02)

Condition:

The Regional Office of Education #13 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable or deferred revenue.
- Numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.

Plan:

The Regional Superintendent accepts the degree of risk associated with this condition because the added expense of seeking additional accounting expertise to prepare and/or review financial statements would take away from the funds available to provide educational services for the schools in the region.

The Regional Office will continue to send the Controller to various trainings to assist her in gaining a better understanding of accrual accounting and reporting under generally accepted accounting principles (GAAP).

Anticipated Date of Completion:

On-going

Name of Contact Person:

Ms. Keri Garrett, Regional Superintendent

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2010

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
09-01	Controls Over Financial Statement Preparation	Repeated

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2010**

Regional Office of Education #13 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, 2010. We encourage readers to consider this information in conjunction with the Regional Office of Education #13's financial statements, which follow.

The Regional Office of Education #13 continued to develop the new reporting standards initiated in FY04. Comparisons are more meaningful and will go further in explaining the Regional Office of Education #13's financial position and results of operations. This includes capabilities for closer monitoring and periodic analysis.

2010 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$592,673 in fiscal year 2009 to \$672,054 in fiscal year 2010, and General Fund expenditures also increased from \$617,578 in fiscal year 2009 to \$687,801 in fiscal year 2010. Other funding sources were used to cover expenses and thus resulted in a decrease in the Regional Office of Education #13's General Fund balance from \$30,436 in fiscal year 2009 to \$16,402 in fiscal year 2010.
- The increase in General Fund revenues was attributed primarily to an increase in State and local on-behalf sources of revenue in fiscal year 2010. The Regional Office of Education #13 again funded a portion of the current year General Fund services from the carry over fund balance in the General Fund.
- Education Fund revenues increased from \$2,058,532 in fiscal year 2009 to \$2,084,437 in fiscal year 2010, and Education Fund expenditures increased from \$2,190,296 in fiscal year 2009 to \$2,236,021 in fiscal year 2010. Interest revenue decreased from \$19,335 in fiscal year 2009 to \$11,186 in fiscal year 2010. The Education Fund balance decreased from \$882,656 in fiscal year 2009 to \$610,542 in fiscal year 2010, mainly due to the deferral of revenues not considered available at year end.
- The increase in Education Fund revenues and expenditures was attributed to an increase in Federal sources of revenue and related expenses in fiscal year 2010.

USING THIS ANNUAL REPORT

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

- The Regional Office of Education #13's Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office of Education #13's financial activities.
- The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Regional Office of Education #13 as a whole and present an overall view of the Regional Office of Education #13's finances.

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2010

USING THIS ANNUAL REPORT (Concluded)

- 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 of Education #13'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 essential to a full understanding of the data provided in the basic financial statements.
- The supplementary information further explains and supports the financial statements with a comparison of the Regional Office of Education #13's budget for the year and supplementary information also provides detailed information about the non-major funds.

REPORTING THE REGIONAL OFFICE OF EDUCATION #13 AS A WHOLE

The Statement of Net Assets and the Statement of Activities

The government-wide statements report information about the Regional Office of Education #13 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all the Regional Office of Education #13'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 Regional Office of Education #13's net assets and how they have changed. Net assets – the difference between the Regional Office of Education #13's assets and liabilities – are one way to measure the Regional Office of Education #13's financial health or position.

- Over time, increases or decreases in the Regional Office of Education #13's net assets are an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Regional Office of Education #13's overall health, additional non-financial factors, need to be considered.

In the government-wide financial statements, the Regional Office of Education #13's activities are divided into two categories:

- **Governmental activities:** Most of the Regional Office of Education #13's basic services are included here, such as regular and special education instruction, student and instructional staff support services and administration. State and federal grants, local school districts, and state aid finance most of these activities.
- **Business-type activities:** The Regional Office of Education #13 charges fees to help cover the costs of certain services it provides to school districts in the region.

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2010**

REPORTING THE REGIONAL OFFICE OF EDUCATION #13 AS A WHOLE (Concluded)

Fund Financial Statements

The fund financial statements provide detailed information about the Regional Office of Education #13's funds, focusing on its most significant or "major" funds – not the Regional Office of Education #13 as a whole.

Funds are accounting devices the Regional Office of Education #13 uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law. The Regional Office of Education #13 establishes other funds to control and manage money for particular purposes.

The Regional Office of Education #13 has three kinds of funds:

- Governmental funds account for most of the Regional Office of Education #13's basic services. These focus on how cash and other financial assets that can readily be 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 financial resources that can be spent in the near future to finance the Regional Office of Education #13's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliation between the government-wide statements and the governmental fund statements follow each of the related governmental statement. The Regional Office of Education #13's governmental funds include the General Fund and the Special Revenue Funds. The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.
- Proprietary funds account for services for which the Regional Office of Education #13 charges fees under a cost-reimbursement method. The proprietary fund's required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Fund Net Assets, and a Statement of Cash Flows.
- Fiduciary funds account for assets that belong to others over which the Regional Office of Education #13 is the trustee, or fiduciary. The Regional Office of Education #13 is responsible for ensuring that the assets reported in these funds are used only for their intended purpose and by those to whom the assets belong. The Regional Office of Education #13 excludes these assets from the government-wide financial statements because it cannot use these assets to finance its operations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. The Regional Office of Education #13's net assets at the end of fiscal year 2010 totaled approximately \$1.61 million. This compared to approximately \$1.29 million at the end of fiscal year 2009. The analysis that follows provides a summary of the Regional Office of Education #13's net assets at June 30, 2010 for the governmental and business-type activities.

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

CONDENSED STATEMENT OF NET ASSETS

GOVERNMENTAL ACTIVITIES

	2010	2009	Increase / (Decrease)
Current Assets	\$ 1,330,990	\$ 1,185,086	145,904
Capital Assets, net	58,586	24,395	34,191
Total Assets	1,389,576	1,209,481	180,095
Current Liabilities	160,271	171,343	(11,072)
Net Assets:			
Invested in Capital Assets	58,586	24,395	34,191
Unrestricted	1,085,269	930,983	154,286
Restricted for teacher professional development	85,450	82,760	2,690
Total Net Assets	\$ 1,229,305	\$ 1,038,138	191,167

The Regional Office of Education #13's combined governmental net assets increased \$191,167 from fiscal year 2009 and the current assets increased \$145,904. Net assets related to the Institute Fund are restricted for teacher professional development.

BUSINESS-TYPE ACTIVITIES

	2010	2009	Increase / (Decrease)
Current Assets	\$ 371,870	\$ 225,748	146,122
Capital Assets, net	20,965	31,079	(10,114)
Total Assets	392,835	256,827	136,008
Current Liabilities	7,966	4,475	3,491
Net Assets:			
Invested in Capital Assets	20,965	31,079	(10,114)
Unrestricted	363,904	221,273	142,631
Total Net Assets	\$ 384,869	\$ 252,352	132,517

The Regional Office of Education #13's business-type activities net assets increased \$132,517 from fiscal year 2009 and the current assets increased \$146,122.

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES

	2010	2009	Increase / (Decrease)
Revenues:			
Program Revenues:			
Operating grants and contributions	\$ 2,366,424	\$ 1,712,257	654,167
General revenues:			
Local sources	265,947	254,604	11,343
State sources	-	182,344	(182,344)
Federal sources	-	53,925	(53,925)
On-behalf payments - State & Local	597,346	482,063	115,283
Interest income	13,912	24,865	(10,953)
Total Revenues	3,243,629	2,710,058	533,571
Expenses:			
Instructional Services			
Salaries and benefits	1,743,385	1,864,723	(121,338)
Purchased Services	392,285	411,492	(19,207)
Supplies and materials	172,764	81,243	91,521
Payments to Other Governments	-	-	-
Other objects	5,553	28,808	(23,255)
Depreciation expense	22,312	8,539	13,773
Administrative Expense:			
On-behalf payments - State & Local	597,346	481,413	115,933
Total Expenses	2,933,645	2,876,218	57,427
Change in Net Assets	309,984	(166,160)	476,144
Net Assets - Beginning	919,321	1,204,298	(284,977)
Net Assets - Ending	\$ 1,229,305	\$ 1,038,138	191,167

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concluded)

Operating grants and contributions increased approximately \$654,167 from fiscal year 2009 to 2010. The funding for several major grants (Pre-K, Truant Alternative, Safe School, and Early Intervention) was seriously delayed in payment, causing the ROE to fund these programs from surplus funds, and resulting in less interest revenue.

STATEMENT OF ACTIVITIES

BUSINESS-TYPE ACTIVITIES

	<u>2010</u>	<u>2009</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 180,879	\$ 159,582	21,297
General Revenue:			
Interest income	5,624	4,697	927
Total Revenues	<u>186,503</u>	<u>164,279</u>	22,224
Expenses:			
Salaries and benefits	82,206	124,660	(42,454)
Purchased Services	56,380	45,095	11,285
Supplies and materials	24,103	34,242	(10,139)
Depreciation	10,114	12,734	(2,620)
Total Expenses	<u>172,803</u>	<u>216,731</u>	(43,928)
Change in Net Assets	13,700	(52,452)	66,152
Net Assets - Beginning	<u>371,169</u>	<u>304,804</u>	66,365
Net Assets - Ending	<u>\$ 384,869</u>	<u>\$ 252,352</u>	132,517

FINANCIAL ANALYSIS OF THE REGIONAL OFFICE OF EDUCATION FUNDS

As previously noted, Regional Office of Education #13 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2010**

FINANCIAL ANALYSIS OF THE REGIONAL OFFICE OF EDUCATION FUNDS (Continued)

The Regional Office of Education #13's governmental fund reported combined fund balances of \$729,479 compared with fiscal year 2009's ending fund balances of \$894,926. The Regional Office of Education #13 received less interest income in fiscal year 2010 than fiscal year 2009. Most funds have either decreased or stayed constant. The constant funds do not take into account inflation, which results in a further decrease in fund balance. No reductions in responsibilities have occurred, rather they have increased.

Governmental Fund Highlights

The Regional Office of Education #13's General Fund financial position is the product of many factors, including the increase in the cost of services provided to local schools and the fluctuation in the amount of funds received from State and federal sources from year to year while responsibilities remain the same or increase. Increased costs to deliver services are a continuing drain on the Regional Office of Education #13 financial resources.

The following is a summary of the Regional Office of Education #13's activities:

The Regional Office of Education #13 continues to offer technical assistance and professional development activities to teachers across the complete curriculum area. We have at least 1,300 teachers who have received professional development to improve their basic knowledge and/or their teaching pedagogy. We operate a Pre-Kindergarten program with thirteen sites throughout our three counties, serving approximately 295 at-risk students. We also have two schools for students who have experienced serious difficulties in the public schools. Our Truants Alternative School serves approximately 95 students and works with additional students to ameliorate their truancy problems. We operate a Safe School that serves approximately 50 students each year with an individually based educational program. The Safe School students are students who have been referred because of serious behavior problems within the sending school. We also offer teacher certificate assistance, and help teachers completing re-certification requirements and acquiring additional certificate endorsements. There are a variety of other regulatory programs that are statute based that require inspection of the schools for nearly all areas, as well as inspections for building safety. A General Education Diploma is offered through our cooperative effort with Kaskaskia College, which includes testing to meet high school equivalency. We are responsible for professional development activities to maintain certification by our school administrators through the administrator academy. In summary, we also have a variety of smaller programs that would be classified as consultative services directly to the schools.

Further, we assist parents and other patrons on a daily basis as they call for information and/or other questions or problems with their children. We offer guidance services to parents as well as serving as a liaison or arbitrator between parents and schools. We answer questions regarding bus service, grade problems, and even sports issues. We estimate that we have approximately ten calls or personal visits from parents each day.

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2010**

FINANCIAL ANALYSIS OF THE REGIONAL OFFICE OF EDUCATION FUNDS (Concluded)

Proprietary Fund Highlights

The Regional Office of Education's proprietary funds are Workshops, Technology/Testing Cooperative, and Film Cooperative. The testing service allows schools to receive their testing results back within approximately one week in order that they may use those results to direct their curriculum activities. The Technology/Testing Cooperative gives direct assistance to staff in the schools to maintain and upgrade their technology efforts. This includes a strong emphasis on utilizing technology in the classroom as a teaching tool for students. The Regional Office of Education #13 also has a film cooperative program that purchases film and video materials for instructional use by schools in the region.

FIDUCIARY FUND TYPE

The Regional Office of Education #13's agency fund is used to account for assets held by the Regional Office of Education #13 in 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 Distributive Fund is the Regional Office of Education #13's only agency fund.

Interest on Distributive Fund – The Regional Office of Education #13 has agreements with all districts in the region whereby the Regional Office of Education #13 is allowed to keep the interest for expenditures benefiting all districts.

MEASUREMENT FOCUS

The fund financial statements of all Governmental Funds 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 concepts 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 #13; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditures 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.

The fund financial statements of the Proprietary Funds 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 the related cash flows.

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2010**

BUDGETARY HIGHLIGHTS

The Regional Office of Education #13's Advisory Board approves an education plan. Although the budget document presents functional disbursements by fund, the legal level of control is at the total expenditure level, not at the fund or fund type level. The State Board reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the State Board for final approval. The budget may be amended during the year utilizing procedures prescribed by the State Board. Over the course of the year, the Regional Office of Education #13 amended its annual operating budget several times to reflect additional revenue and expenditures associated with the additional services needed and provided to the local school districts. The Regional Office of Education #13 has a three-county budget for administrative purposes. Each county contributes financially to the Regional Office of Education #13 based upon the county's population. The total funds furnished by all three counties were approximately \$169,150.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Regional Office of Education #13 does not invest in land or buildings. All other equipment remains owned by the State. Items purchased costing over \$500 are listed on the Regional Office of Education #13's inventory. At June 30, 2010 the Regional Office of Education #13 had an investment in capital assets of \$79,551 which is the original cost of the assets less the accumulated depreciation.

During fiscal year 2010 the Regional Office of Education #13 made purchases costing \$56,503 in governmental activities. Miscellaneous outdated equipment and furniture were discarded.

Debt

The Regional Office of Education #13 incurs no debt. All bills are paid by the end of the fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the Regional Office of Education #13 was aware of existing circumstances that could significantly affect its financial health in the future.

- The Regional Office of Education #13 has experienced an increase in the number of students being served by its programs in the past few years. A slight increase in enrollment is expected and included in the budget based on request from local school districts.
- The Regional Office of Education #13 provides programs and services in compliance with statutory, regulatory and mandated requirements from the legislation and the Illinois State Board of Education despite a level of funding from the State that does not keep pace with the increasing cost of providing such programs and services. Consequently, the Regional Office of Education #13 is forced to maintain a limited professional and clerical staff while trying to provide a consistent level of support and services to schools. Additional services are provided when funding allows or when cost-recovery mechanisms can be associated with the services.

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2010**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (Concluded)

- A limited number of federal and State grant programs help support the Regional Office of Education #13's programs. Funding from these grant programs are not assured from year to year. Because of limited availability of funds to other agencies and organizations, there is increased competition for funded grant programs due in part to a reduction in the amount of grant funding available and the similar financial circumstances all entities are experiencing. The future of the Regional Office of Education #13 (and the programs and services they provide) is directly dependent on their abilities to compete for grant funding.

ADDITIONAL INFORMATION

The following information is furnished to further explain the Regional Office of Education #13 financial analysis and planning:

The Management's Discussion and Analysis for the year ended June 30, 2010 is a continual and ongoing review of the financial statements, accounting and reporting of capital assets and internal funds. This review has the objective to accomplish several things. Namely, where have we spent our funds, the relationship of those expenditures to the budget, an analysis of our remaining funds to complete our mission, and a cross-check to balance the various funds. This analysis includes ensuring that the proper documentation, authorization, and expenditures are complete and tied directly to our budget line items.

Our management team utilizes the discussion and analysis to determine what changes may need to be made in the budget relative to our expenditures in meeting our objectives. We have determined that some objectives may have to be scaled back due to reduced funding from State and federal sources. Our analysis has revealed that State funding projections do not always meet expectations. For example, several programs have received substantial reductions at the very last minute even though projected information from the State indicated a higher level of funding.

Improved financial planning to meet objectives could occur if the State and federal sources gave more accurate projections. The maintaining and hiring of staff could be improved if more accurate funding information was available. A major part of the goals, responsibilities, and activities are determined by either legislation or direction from the Illinois State Board of Education. Funding from those sources generally does not meet the expected mandates.

Our planning and analysis based on this current year and previous years indicate that we will continue to receive less funding. We will plan accordingly and prioritize those goals and responsibilities. In summary, the Management's Discussion and Analysis is a very helpful and necessary tool to assist the Regional Office of Education #13 in meeting its responsibilities.

**CONTACTING THE REGIONAL OFFICE OF EDUCATION #13'S FINANCIAL
MANAGEMENT**

This financial report is designed to provide the Regional Office of Education #13's citizens, taxpayers, and customers with a general overview of the Regional Office of Education #13's finances and to demonstrate the Regional Office of Education #13's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Regional Office of Education #13, 930-B Fairfax Street, Carlyle, Illinois 62231.

BASIC FINANCIAL STATEMENTS

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**STATEMENT OF NET ASSETS
June 30, 2010**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 813,865	\$ 39,801	\$ 853,666
Prepaid assets	-	2,892	2,892
Due from other governments	841,988	4,314	846,302
Internal balances	(324,863)	324,863	-
Total current assets	1,330,990	371,870	1,702,860
Noncurrent assets:			
Capital assets, net	58,586	20,965	79,551
Total assets	1,389,576	392,835	1,782,411
LIABILITIES			
Current liabilities:			
Accounts payable	24,518	7,966	32,484
Salaries and benefits payable	61,892	-	61,892
Due to other governments	57,360	-	57,360
Deferred revenue	16,501	-	16,501
Total current liabilities	160,271	7,966	168,237
NET ASSETS			
Invested in capital assets	58,586	20,965	79,551
Restricted for teacher professional development	85,450	-	85,450
Unrestricted	1,085,269	363,904	1,449,173
Total net assets	\$ 1,229,305	\$ 384,869	\$ 1,614,174

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

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**STATEMENT OF ACTIVITIES
For the year ended June 30, 2010**

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Governmental activities:						
Instructional services:						
Salaries and benefits	\$ 1,743,385	\$ -	\$ 1,787,077	\$ 43,692	\$ -	\$ 43,692
Purchased services	392,285	-	352,214	(40,071)	-	(40,071)
Supplies and materials	172,764	-	170,630	(2,134)	-	(2,134)
Capital outlay	-	-	56,503	56,503	-	56,503
Other objects	5,553	-	-	(5,553)	-	(5,553)
Depreciation	22,312	-	-	(22,312)	-	(22,312)
Administrative:						
On-behalf payments - local	169,150	-	-	(169,150)	-	(169,150)
On-behalf payments - state	428,196	-	-	(428,196)	-	(428,196)
Total governmental activities	2,933,645	-	2,366,424	(567,221)	-	(567,221)
Business-type activities						
Instructional services	172,803	180,879	-	-	8,076	8,076
Total primary government	\$ 3,106,448	\$ 180,879	\$ 2,366,424	(567,221)	8,076	(559,145)
General revenues:						
Local sources				265,947	-	265,947
On-behalf payments - local				169,150	-	169,150
On-behalf payments - state				428,196	-	428,196
Interest				13,912	5,624	19,536
Total general revenues				877,205	5,624	882,829
Change in net assets				309,984	13,700	323,684
Net assets - beginning, restated				919,321	371,169	1,290,490
Net assets - ending				\$ 1,229,305	\$ 384,869	\$ 1,614,174

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

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010**

	General Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 5,704	\$ 722,711	\$ 85,450	\$ 813,865
Due from other funds	-	-	17,085	17,085
Due from other governments	44,571	797,417	-	841,988
Total assets	\$ 50,275	\$ 1,520,128	\$ 102,535	\$ 1,672,938
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 162	\$ 24,356	\$ -	\$ 24,518
Salaries and benefits payable	-	61,892	-	61,892
Due to other funds	3,810	338,138	-	341,948
Due to other governments	-	57,360	-	57,360
Deferred revenue	29,901	427,840	-	457,741
Total liabilities	33,873	909,586	-	943,459
FUND BALANCES				
Unreserved, reported in:				
General fund	16,402	-	-	16,402
Special revenue funds	-	610,542	102,535	713,077
Total fund balances	16,402	610,542	102,535	729,479
Total liabilities and fund balances	\$ 50,275	\$ 1,520,128	\$ 102,535	\$ 1,672,938

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

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

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

June 30, 2010

Total fund balances-governmental funds	\$ 729,479
Amounts reported for governmental activities in the Statement of Net Assets 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.	441,240
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>58,586</u>
Net assets of governmental activities	<u><u>\$1,229,305</u></u>

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

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2010**

	General Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
Revenues:				
Local sources	\$ 36,118	\$ 189,336	\$ 40,493	\$ 265,947
State sources	37,260	1,466,220	4,009	1,507,489
Federal sources	-	417,695	-	417,695
On-behalf payments - local	169,150	-	-	169,150
On-behalf payments - state	428,196	-	-	428,196
Interest	1,330	11,186	1,396	13,912
Total revenues	672,054	2,084,437	45,898	2,802,389
Expenditures:				
Instructional services:				
Salaries and benefits	57,552	1,669,966	15,867	1,743,385
Purchased services	23,062	348,642	20,581	392,285
Supplies and materials	4,288	160,910	7,566	172,764
Other objects	5,553	-	-	5,553
On-behalf payments - local	169,150	-	-	169,150
On-behalf payments - state	428,196	-	-	428,196
Capital outlay	-	56,503	-	56,503
Total expenditures	687,801	2,236,021	44,014	2,967,836
Excess (deficiency) of revenues over (under) expenditures	(15,747)	(151,584)	1,884	(165,447)
Other financing sources (uses):				
Transfers in	1,713	-	-	1,713
Transfers out	-	(1,713)	-	(1,713)
Total other financing sources (uses)	1,713	(1,713)	-	-
Net change in fund balances	(14,034)	(153,297)	1,884	(165,447)
Fund balances, beginning of year, restated	30,436	763,839	100,651	894,926
Fund balances, end of year	\$ 16,402	\$ 610,542	\$ 102,535	\$ 729,479

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

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES-
GOVERNMENTAL FUNDS
For the year ended June 30, 2010**

Net change in fund balances			\$(165,447)
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.			
			441,240
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	\$	56,503	
Depreciation expense		<u>(22,312)</u>	<u>34,191</u>
Change in net assets of governmental activities			<u>\$ 309,984</u>

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

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2010**

	Business-Type Activities			Total
	Enterprise Funds			
	Workshops	Technology/ Testing Cooperative	Other Nonmajor Fund- Film Cooperative	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 39,801	\$ -	\$ -	\$ 39,801
Prepaid assets	-	2,892	-	2,892
Due from other funds	117,446	189,105	18,312	324,863
Due from other governments	-	4,314	-	4,314
Total current assets	157,247	196,311	18,312	371,870
Noncurrent assets:				
Capital assets, net	-	20,965	-	20,965
Total assets	157,247	217,276	18,312	392,835
LIABILITIES				
Current liabilities:				
Accounts payable	7,515	451	-	7,966
Total liabilities	7,515	451	-	7,966
NET ASSETS				
Invested in capital assets	-	20,965	-	20,965
Unrestricted	149,732	195,860	18,312	363,904
Total net assets	\$ 149,732	\$ 216,825	\$ 18,312	\$ 384,869

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

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the year ended June 30, 2010**

	Business-Type Activities			Total
	Enterprise Funds			
	Workshops	Technology/ Testing Cooperative	Other Nonmajor Fund- Film Cooperative	
Operating revenues:				
Charges for services	\$ 49,156	\$ 130,317	\$ 1,406	\$ 180,879
Operating expenses:				
Salaries and benefits	-	70,112	12,094	82,206
Purchased services	20,073	36,307	-	56,380
Supplies and materials	545	23,558	-	24,103
Depreciation	-	10,114	-	10,114
Total operating expenses	20,618	140,091	12,094	172,803
Operating income (loss)	28,538	(9,774)	(10,688)	8,076
Nonoperating revenues:				
Interest	2,377	2,873	374	5,624
Change in net assets	30,915	(6,901)	(10,314)	13,700
Total net assets - beginning, restated	118,817	223,726	28,626	371,169
Total net assets - ending	\$ 149,732	\$ 216,825	\$ 18,312	\$ 384,869

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

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended June 30, 2010**

	Business-Type Activities			
	Enterprise Funds			
	Workshops	Technology/ Testing Cooperative	Other Nonmajor Fund- Film Cooperative	Total
Cash flows from operating activities:				
Collection of fees	\$ 49,156	\$ 126,003	\$ 1,406	\$ 176,565
Payments to suppliers and providers of goods and services	(13,103)	(59,762)	-	(72,865)
Payments to employees	-	(70,112)	(12,094)	(82,206)
Net cash provided (used) by operating activities	36,053	(3,871)	(10,688)	21,494
Cash flows from investing activities:				
Interest	2,377	2,873	374	5,624
Cash flows from noncapital financing activities:				
Loan to other funds	(117,446)	(189,105)	(18,312)	(324,863)
Net decrease in cash and cash equivalents	(79,016)	(190,103)	(28,626)	(297,745)
Cash and cash equivalents- beginning	118,817	190,103	28,626	337,546
Cash and cash equivalents- ending	\$ 39,801	\$ -	\$ -	\$ 39,801
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 28,538	\$ (9,774)	\$ (10,688)	\$ 8,076
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	10,114	-	10,114
Decrease in prepaid assets	-	4,127	-	4,127
Increase (decrease) in accounts payable	7,515	(4,024)	-	3,491
Increase in due from other governments	-	(4,314)	-	(4,314)
Net cash provided (used) by operating activities	\$ 36,053	\$ (3,871)	\$ (10,688)	\$ 21,494

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

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
June 30, 2010

	<u>Distributive Fund</u>
ASSETS	
Due from other governments	<u>\$ 8,899,583</u>
LIABILITIES	
Due to other governments	<u>\$ 8,899,583</u>

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

NOTES TO FINANCIAL STATEMENTS

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Regional Office of Education #13's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental units of this type.

A. **Reporting Entity**

The Regional Office of Education #13 was created by Illinois Public Act 76-735, as amended, effective August 8, 1995. The region encompasses Clinton, Marion, and Washington counties.

The Regional Superintendent of Schools is the chief administrative officer of the region and is elected to the position for a four-year term. The Regional Superintendent is responsible for the supervision and control of the school districts.

The Regional Superintendent's responsibilities for administering the school educational service region programs include, but are not limited to, providing directions to teachers and school officials on science, art and teaching methods; implementing the State Board of Education's Policy Programs; encouraging camaraderie among teachers through the teachers' institute; making public notice of unfilled teaching positions within the region; and ensuring of the safety, health and welfare of the students in the region by periodically inspecting the school buildings and ensuring that the bus drivers have valid driving licenses and are properly trained to operate the school buses. Further, the Regional Superintendent receives an allocation of school funds from the State Board of Education and apportions these funds to the school districts in accordance with the State Board of Education's formula.

The Regional Office of Education #13 derives its oversight power and authority over the school districts from the School Code and is responsible for its own fiscal and budgetary matters. The Regional Office of Education #13 exercises no oversight responsibility on financial interdependency, selection of governing authority, designation of management or the ability to significantly influence the operations of any other outside agencies. Control or dependency is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing order. Therefore, no other agency has been included as a component unit in the Regional Office of Education #13's financial statements. In addition, the Regional Office of Education #13 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education #13 being considered a component unit of the entity.

B. **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by intergovernmental revenues, are reported separately from the *business-type activities*, which rely to a significant extent on fees and charges for support.

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. Government-wide and Fund Financial Statements (Continued)

The Statement of Net Assets includes all of the Regional Office of Education #13's assets and liabilities, including capital assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

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 and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. 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 provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

It is the Regional Office of Education #13's policy to first apply restricted resources when an expenditure or expense is incurred for which both restricted and unrestricted resources are available.

The Regional Office of Education #13 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education #13 and is used to account for all financial resources that are not legally restricted for expenditure for specified purposes. This fund is available to pay general and administrative expenditures of the Regional Office of Education #13. Included in this fund are:

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

General Fund (Continued)

Special Projects – This fund accounts for miscellaneous expenses and programs that benefit the school districts and/or regional office.

ROE/ISC Operations -This fund accounts for the grant that provides the funding for the Regional Office of Education.

Education Fund - This Special Revenue Fund accounts for various grant and education enhancement programs as follows:

Alternative Education Project – This fund accounts for Alternative School General State Aid funding.

Safe School Tuition – This program accounts for tuition payments from local districts sending students to the Safe School in Centralia.

Safe School Projects – This program accounts for State aid and miscellaneous income and expenses relative to the Safe School in Centralia.

Administrator's Academy - This program provides required training and continuing education of administrators.

Truants Alternative/Optional Education – This is a State-approved program leading to a high school diploma for students with truancy problems.

National Board Professional Teacher Support (NBPTS) – This program attempts to get teachers in the region to participate in the masters program and enhance their professional growth.

Gifted Education – This program provides gifted training for teachers in the region. This training assists teachers in understanding how to reach and teach gifted and talented students.

American Recovery and Reinvestment Act – Enhancing Education through Technology – This program enables local entities to provide new and emerging technologies, create state-of-the-art learning environments, and offer additional training and support for teachers to help students achieve academically and acquire the skills needed to compete in a global economy.

Even Start/Early Childhood Block Grant - This program provides early assistance to children and parents to enhance the child's physical, social, and cognitive skills, and assist those identified as being at risk of academic failure.

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

Education Fund (Continued)

Title III English Language Learners - This program provides assistance to students learning the English language.

Title I - Reading First Part B SEA Funds – The ROE/ISC Reading First Program is designed to provide a common knowledge base from which effective reading practices can be built.

Summer School – This program accounts for teacher salaries and purchased services that are paid with funds provided by local school districts on a per student basis.

Homeless Children/Youth – This program provides educational services for homeless students, tutoring, clothing, school activity fees, and transportation.

Regional Safe Schools – These are alternative programs for disruptive youths in grades 6-12. Students eligible for this program must have been suspended or expelled by a local school district.

Regional System of Support Provider – This program provides for assistance with School Improvement Plans, alignment of curriculum/ standards/ instructional practice/ assessments, teacher/administrator enhancement, and student, family, and community support services.

Standards Aligned Classroom – This program provides standards aligned classroom initiatives, coaching, and support teams.

Conference – This program provides for events such as Talent Search and Olympiad programs.

Staff Development – This program offers technology assistance and training to teachers and, on a fee basis, NOVELL Certified classes for school district technology personnel.

Special Education for Infants and Families with Disabilities – This program is funded by the Department of Human Services to help families with children between birth and age three obtain evaluations and assessments. Individualized plans are developed to help a child learn, grow, and receive needed services.

Additionally, the Regional Office of Education #13 reports the following nonmajor governmental funds:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. Included among these funds are:

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

Institute – This fund accounts for teacher certificate registration, issuance and evaluation fees for processing certificates, and expenses to promote the professional growth of teachers and school personnel. All funds generated remain restricted until expended only on the aforementioned activities.

General Education Development (GED) – This fund accounts for the receipts and expenses pertaining to the GED/High School Equivalency program for high school dropouts.

ROE School Bus Driver Training – This fund accounts for State and local receipts and expenses designed for initial and refresher courses of instruction for school bus drivers.

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

The Regional Office of Education #13 reports the following major proprietary funds:

Enterprise Funds - Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes. Included among these funds are:

Workshops – This program provides teacher workshops.

Technology/Testing Cooperative – This program is a local district cooperative that provides services for scoring and reporting of student achievement testing.

The Regional Office of Education #13 reports the following nonmajor proprietary fund:

Film Cooperative – This program is a Marion County schools cooperative that purchases and loans film and video materials for instructional use.

Additionally, the Regional Office of Education #13 reports the following fiduciary fund:

Fiduciary Funds – Fiduciary funds are used to account for assets held by the Regional Office of Education #13 in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Distributive Fund is the Regional Office of Education #13's only agency fund.

Distributive Fund – This fund distributes monies received by the State out to the school districts and other entities.

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Under the provision of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Regional Office of Education #13 applies all GASB pronouncements and has elected to apply only the pronouncements issued on or before November 30, 1989 for the following: Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions; and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Regional Office of Education #13's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services and administrative expenses.

D. Assets, Liabilities, and Net Assets or Equity

1. Cash and Investments

The Regional Office of Education #13 considers cash on hand, checking accounts, savings accounts, and investments held with an original maturity date of less than three months to be cash and cash equivalents. State regulations require that the Regional Office of Education #13 deposit funds under its control into accounts insured by the federal governments, accounts secured by substantial collateral, or pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

The Regional Office of Education #13 does not have a formal investment policy. Statutes authorize the Regional Office of Education #13 to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

2. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. **Assets, Liabilities, and Net Assets or Equity** (Continued)

3. **Capital assets**

Capital assets are reported in the applicable columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Office equipment and furniture	5-10
Computer equipment	3-5
Other equipment	5-20

In the fund financial statements, capital assets used in governmental operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

4. **Compensated Absences**

Non-certified and certified employees who work 12 calendar months earn up to 20 vacation days for a full year of service. The accumulated total vacation days may never exceed 30 days. In the event that a program terminates, no vacation days will be honored past the ending date of the program; therefore, no liability is accrued. Certified employees who work less than 12 calendar months per year do not earn vacation days.

Employees receive up to 12 sick days annually and the unused portion is accumulated up to 180 days and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay; therefore, no liability is accrued.

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

5. Equity Classifications

Government-wide Statements

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

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

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

Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets.”

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved.

E. New Accounting Pronouncement

The Regional Office of Education #13 has implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for the fiscal year beginning July 1, 2009. The Statement changed the way the Regional Office of Education #13 discloses its postemployment benefits other than pensions. The Regional Office of Education #13 also implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*; GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, all effective for the fiscal year beginning July 1, 2009. These Statements had no impact on the Regional Office of Education #13's financial statements.

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

NOTES TO FINANCIAL STATEMENTS

2. **BUDGETS AND BUDGETARY ACCOUNTING**

The Regional Office of Education #13 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

Budgets relating to programs funded by grants from the Illinois State Board of Education are prepared and submitted to the State Board as part of the grant awards process. The State Board must also approve amendments to these budgets. Grant project budgets are based on the award period. Budgetary Comparison Schedules have been presented for the following grants received from the Illinois State Board of Education: ROE/ISC Operations, Truants Alternative/Optional Education, Gifted Education, ARRA – Enhancing Education through Technology, Even Start/Early Childhood Block Grant, Title III English Language Learners, Title I Reading First Part B SEA Funds, and Regional Safe Schools.

3. **USE OF 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.

4. **INTEREST ON DISTRIBUTIVE FUND ACCOUNTS**

The Regional Office of Education #13 has agreements with all districts in the region whereby the Regional Office of Education #13 is allowed to keep the interest received on Distributive Fund receipts for expenditures benefiting all districts.

5. **DEPOSITS AND INVESTMENTS**

A. **Deposits**

At June 30, 2010, the carrying amount of the Regional Office of Education #13's governmental activities, business-type activities, and agency fund deposits were \$813,865, \$39,801, and \$0, respectively. The bank balances totaled \$960,739, all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education #13's name, and were, therefore, not exposed to custodial credit risk.

B. **Investments**

At June 30, 2010, the Regional Office of Education #13 had investments with a carrying value of \$1,037,389 invested in the Illinois Fund Money Market Fund. This fund enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds.

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

NOTES TO FINANCIAL STATEMENTS

5. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Credit Risk

At June 30, 2010, 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 provisions 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 Fund states that, unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity.

Concentration on 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.

6. RISK MANAGEMENT - CLAIMS AND JUDGEMENTS

The Regional Office of Education #13 is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation; and natural disasters. The Regional Office of Education #13 is covered by commercial insurance to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years.

7. CONTINGENCIES

The Regional Office of Education #13 has received funding from federal and State grants in the current and prior years which are subject to audits by granting agencies. The Regional Office of Education #13 believes any adjustments that may arise will be insignificant to the Regional Office of Education #13's operations.

8. OPERATING LEASE

The Clinton, Marion, and Washington Counties Regional Office of Education #13 has entered into several annual operating leases through June 30, 2010 for the Truants Alternative/Optional Education, Regional Safe School, and Special Education for Infants and Families with Disabilities programs to provide classroom space and office space for grant programs. Rent expense for 2010 totaled \$27,150.

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

NOTES TO FINANCIAL STATEMENTS

9. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets being depreciated:				
Office equipment and furniture	\$ 35,164	\$ -	\$ (69)	\$ 35,095
Computer equipment	138,902	56,503	(2,695)	192,710
Other equipment and leasehold improvements	23,168	-	-	23,168
Total capital assets being depreciated	<u>197,234</u>	<u>56,503</u>	<u>(2,764)</u>	<u>250,973</u>
Less accumulated depreciation for:				
Office equipment and furniture	(25,300)	(1,616)	69	(26,847)
Computer equipment	(127,679)	(19,565)	2,695	(144,549)
Other equipment and leasehold improvements	(19,860)	(1,131)	-	(20,991)
Total accumulated depreciation	<u>(172,839)</u>	<u>(22,312)</u>	<u>2,764</u>	<u>(192,387)</u>
Governmental activities capital assets, net	<u>\$ 24,395</u>	<u>\$ 34,191</u>	<u>\$ -</u>	<u>\$ 58,586</u>
Business-type activities:				
Capital assets being depreciated:				
Office equipment and furniture	\$ 26,959	\$ -	\$ -	\$ 26,959
Computer equipment	24,235	-	-	24,235
Other equipment and leasehold improvements	19,960	-	-	19,960
Total capital assets being depreciated	<u>71,154</u>	<u>-</u>	<u>-</u>	<u>71,154</u>
Less accumulated depreciation for:				
Office equipment and furniture	(15,942)	(3,737)	-	(19,679)
Computer equipment	(18,430)	(3,527)	-	(21,957)
Other equipment and leasehold improvements	(5,703)	(2,850)	-	(8,553)
Total accumulated depreciation	<u>(40,075)</u>	<u>(10,114)</u>	<u>-</u>	<u>(50,189)</u>
Business-type activities capital assets, net	<u>\$ 31,079</u>	<u>\$ (10,114)</u>	<u>\$ -</u>	<u>\$ 20,965</u>

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

NOTES TO FINANCIAL STATEMENTS

9. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the Regional Office of Education #13 as follows:

Governmental activities:	
Instructional services	<u>\$ 22,312</u>
Business-type activities:	
Instructional services	<u>\$ 10,114</u>

10. RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

The Regional Office of Education #13 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 primary responsibility for the funding of 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, 2010 was 9.4 percent of creditable earnings. 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, 2009 and 2008.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #13's TRS-covered employees.

On-Behalf Contributions to TRS - The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #13. For the year ended June 30, 2010, State of Illinois contributions were based on 23.38 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #13 recognized revenue and expenditures of \$210,052 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2009, and June 30, 2008, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal awards were 17.08 percent (\$122,410) and 13.11 percent (\$94,587), respectively.

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

NOTES TO FINANCIAL STATEMENTS

10. **RETIREMENT FUND COMMITMENTS** (Continued)

A. **Teachers' Retirement System of the State of Illinois** (Continued)

The Regional Office of Education #13 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, 2010 were \$4,217. Contributions for the years ended June 30, 2009, and June 30, 2008 were \$4,157 and \$4,185, 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 #13, there is a statutory requirement for the Regional Office of Education #13 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, 2010, the employer pension contribution was 23.38 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2009 and 2008, the employer contribution was 17.08 and 13.11 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2010, salaries totaling \$11,393 were paid from federal and special trust funds that required employer contributions of \$2,664. For the years ended June 30, 2009, and June 30, 2008, required Regional Office of Education #13 contributions were \$14,552 and \$12,400, respectively.

Early Retirement Option – The Regional Office of Education #13 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.

Public Act 94-0004 made changes in the ERO program that were in effect for all ERO retirements in fiscal years 2008 through 2010. The act increased member and employer contributions and eliminated the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service.

Under the current ERO, the maximum employer contribution was 117.5 percent and applies when the member is age 55 at retirement.

For the three years ended June 30, 2010, the Regional Office of Education #13 made no payments to TRS for employer contributions under the Early Retirement Option.

Salary Increases Over 6 Percent and Excess Sick Leave – Public Act 94-0004 added two additional employer contributions to TRS.

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

NOTES TO FINANCIAL STATEMENTS

10. **RETIREMENT FUND COMMITMENTS** (Continued)

A. **Teachers' Retirement System of the State of Illinois** (Continued)

If the Regional Office of Education #13 grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the Regional Office of Education #13 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 three years ended June 30, 2010, the Regional Office of Education #13 made no payments for employer contributions to TRS due on salary increases in excess of 6 percent.

If the Regional Office of Education #13 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the Regional Office of Education #13 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.55 percent of salary during the year ended June 30, 2010).

For the three years ended June 30, 2010, the Regional Office of Education #13 made no payments for employer contributions to TRS for sick leave days granted in excess of the normal annual allotment.

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, 2009. The report for the year ended June 30, 2010, is expected to be available in late 2010.

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

B. **Illinois Municipal Retirement Fund**

Plan Description – The Regional Office of Education #13's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #13's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

NOTES TO FINANCIAL STATEMENTS

10. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund (Continued)

Funding Policy – As set by statute, the Regional Office of Education #13’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 2009 was 10.66 percent of annual covered payroll. The Regional Office of Education #13 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 supplemental retirement benefits rate is set by statute.

Annual Pension Cost – For 2009, the Regional Office of Education #13’s annual pension cost of \$94,243 for the Regular plan was equal to Regional Office of Education #13’s required and actual contributions.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2009	\$ 94,243	100%	\$ -
12/31/2008	91,802	100%	-
12/31/2007	92,091	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3.0 percent annually. The actuarial value of the Regional Office of Education #13’s Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15.0 percent corridor between the actuarial and market value of assets. The Regional Office of Education #13’s Regular plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 5 years.

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

NOTES TO FINANCIAL STATEMENTS

10. **RETIREMENT FUND COMMITMENTS** (Continued)

B. Illinois Municipal Retirement Fund (Continued)

Funded Status and Fund Progress – As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 86.42 percent funded. The actuarial accrued liability for benefits was \$1,932,967 and the actuarial value of assets was \$1,670,557, resulting in an unfunded actuarial accrued liability (UAAL) of \$262,410. The covered payroll (annual payroll of active employees covered by the plan) was \$884,078 and the ratio of the UAAL to the covered payroll was 30.0 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect 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. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 10 year basis.

The schedule of funding progress, presented as required supplementary information (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.

C. Social Security

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security.

11. **OTHER POST-EMPLOYMENT BENEFITS**

A. Teacher Health Insurance Security

The Regional Office of Education #13 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

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

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

NOTES TO FINANCIAL STATEMENTS

11. OTHER POST-EMPLOYMENT BENEFITS (Continued)

A. Teacher Health Insurance Security (Continued)

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

On behalf contributions to THIS Fund - The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #13. State contributions are intended to match contributions to THIS Fund from active members which were 0.84 percent of pay during the year ended June 30, 2010. State of Illinois contributions were \$6,104, and the Regional Office of Education #13 recognized revenue and expenditures of this amount during the year. Had the Regional Office of Education #13 recognized revenue and expenditures for State contributions intended to match active member contributions during the years ended June 30, 2009 and June 30, 2008, under the current standards, the contribution match would have been .84 percent of pay or \$6,060 and \$6,020, respectively.

Employer contributions to THIS Fund - The Regional Office of Education #13 also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.63 percent during the years ended June 30, 2010, June 30, 2009, and June 30, 2008. For the year ended June 30, 2010, the Regional Office of Education #13 paid \$4,578 to the THIS Fund. For the years ended June 30, 2009 and June 30, 2008, the Regional Office of Education #13 paid \$4,515 and \$4,545 to the THIS Fund, respectively, which was 100 percent of the required contribution.

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

B. Other Postemployment Benefits

The Regional Office of Education #13 allows employees, who retire through the Regional Office of Education #13's plan disclosed in Note 10B, the option to continue in the Regional Office of Education #13's health insurance plan as required by the Illinois Compiled Statutes, but the retiree pays the full premium for the health insurance. This has not created an implicit subsidy as defined by GASB Statement No. 45 (GASB S-45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* as the Regional Office of Education #13's health insurance plan is considered a community rated plan. In addition, the ROE #13 has no explicit subsidy as defined in GASB S-45.

12. BOND

The Illinois School Code (105 ILCS 5/3-2) directs the Regional Office of Education #13 to execute a bond of not less than \$100,000 on the Regional Superintendent. The Regional Office of Education #13 has secured and maintained such a bond with coverage of \$100,000 on the Regional Superintendent.

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

NOTES TO FINANCIAL STATEMENTS

13. INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2010, interfund receivables and payables were as follows:

<u>Due To (Receivable)</u>	<u>Due From (Payable)</u>	<u>Balance at June 30, 2010</u>
Nonmajor Governmental Fund:	Education Fund:	
General Education Development	Even Start/Early Childhood Block Grant	\$ 11,653
ROE School Bus Driver Training	Even Start/Early Childhood Block Grant	3,184
Supervisory	Even Start/Early Childhood Block Grant	2,248
		17,085
Proprietary Fund:	General Fund:	
Workshops	ROE/ISC Operations	3,810
	Education Fund:	
Workshops	Even Start/Early Childhood Block Grant	62,829
Workshops	Special Education for Infants and Families with Disabilities	50,807
		117,446
Proprietary Fund:	Education Fund:	
Technology/Testing Cooperative	Even Start/Early Childhood Block Grant	189,105
Nonmajor Proprietary Fund:	Education Fund:	
Film Cooperative	Even Start/Early Childhood Block Grant	8,182
Film Cooperative	Regional System of Support Provider	10,130
		18,312
		\$ 341,948

At June 30, 2010, all of the interfund balances consist of loans between individual funds within the same pooled cash account. The loans were used to cover cash shortages in these individual funds.

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

NOTES TO FINANCIAL STATEMENTS

14. DEFICIT FUND BALANCES

The following individual funds carried the following deficit balances as of June 30, 2010:

ROE/ISC Operations	\$ 22,715
Even Start/Early Childhood Block Grant	\$ 61,537
Title III English Language Learners	\$ 8
Regional Safe Schools	\$ 57,280
Regional System of Support Provider	\$ 508

The Regional Office of Education #13 intends to reduce these deficits by reducing expenditures in future periods and by collecting revenues not considered "available" at June 30, 2010.

15. SCHEDULE OF TRANSFERS

During the year ended June 30, 2010, interfund transfers were as follows:

Transfers From Other Funds (Transfers In)	Transfers To Other Funds (Transfers Out)
General Fund: Special Projects Fund \$ 1,713	Education Fund: Standards Aligned Classroom \$ 1,713

The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

16. GENERAL STATE AID

General State Aid revenue has been reported as revenue in the following Education Fund accounts as follows:

From State Sources:	
Alternative Education Project	\$ 95,723
Safe School Projects	108,890
Total General State Aid	\$ 204,613
From Federal Sources:	
Alternative Education Project	\$ 21,272
Safe School Project	24,198
Total ARRA - General State Aid	\$ 45,470

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

NOTES TO FINANCIAL STATEMENTS

17. DUE TO/DUE FROM OTHER GOVERNMENTS

The Regional Office of Education #13's General Fund, Enterprise Fund, various grant programs, and Fiduciary Fund have funds due from/to various other governmental units which consist of the following at June 30, 2010:

Due From Other Governments:

General Fund:	
Illinois State Board of Education	\$ 42,321
Illinois Principal Association	2,250
	<u>44,571</u>
Education Fund:	
Illinois State Board of Education	717,445
Department of Human Services	51,380
Teacher Retirement Systems	15,677
Regional Office of Education #50	9,622
United States Treasury	327
Local school districts	2,966
	<u>797,417</u>
Technology/Testing Cooperative:	
Local school districts	4,314
	<u>\$ 846,302</u>
Fiduciary Fund:	
Illinois State Board of Education	<u>\$8,899,583</u>

Due To Other Governments:

Education Fund:	
Illinois State Board of Education	<u>\$ 57,360</u>
Fiduciary Fund:	
Local governments	<u>\$8,899,583</u>

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

NOTES TO FINANCIAL STATEMENTS

18. ON-BEHALF PAYMENTS

Clinton, Marion, and Washington Counties provide the Regional Office of Education #13 with staff and pay certain expenditures on behalf of the Regional Office of Education #13. The expenditures paid on the Regional Office of Education #13's behalf for the year ended June 30, 2010, were as follows:

Salaries and benefits	\$ 142,769
Purchased services	15,605
Supplies and materials	<u>10,776</u>
	<u>\$ 169,150</u>

The on-behalf payments are reflected as revenues and expenditures of the General Fund.

The Regional Office of Education #13 also received on-behalf payments for employee salaries and benefits from the State of Illinois for the following items:

Regional Superintendent-salary	\$ 96,435
Regional Superintendent-benefits (includes State paid insurance)	17,135
Assistant Regional Superintendent-salary	86,791
Assistant Regional Superintendent-benefits (includes State paid insurance)	11,679
TRS pension contributions	210,052
THIS post-employment benefit contributions	<u>6,104</u>
	<u>\$ 428,196</u>

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.

The on-behalf payments are reflected as revenues and expenditures of the General Fund.

19. RECLASSIFICATIONS

Effective July 1, 2009, the Regional Office of Education #13 reclassified Workshops as a Proprietary Fund.

	Education Fund	Proprietary Fund	Governmental Activities
Fund balance/net assets at June 30, 2009	\$ 882,656	\$ 252,352	\$ 1,038,138
Reclassification adjustment	<u>(118,817)</u>	<u>118,817</u>	<u>(118,817)</u>
Fund balance/net assets restated at June 30, 2009	<u>\$ 763,839</u>	<u>\$ 371,169</u>	<u>\$ 919,321</u>

**REQUIRED SUPPLEMENTARY INFORMATION
(OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS)**

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
UNAUDITED**

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]
12/31/2009	\$ 1,670,557	\$ 1,932,967	\$ 262,410	86.42 %	\$ 884,078	29.68 %
12/31/2008	1,532,456	1,751,147	218,691	87.51 %	884,418	24.73 %
12/31/2007	1,492,198	1,597,839	105,641	93.39 %	859,054	12.30 %

On a market value basis the actuarial value of assets as of December 31, 2009 was \$1,631,232.
On a market basis, the funded ratio would be 84.39 percent.

Digest of Changes:

The actuarial assumptions used to determine the actuarial accrued liability for 2009 are based on the 2005-2007 Experience Study.

SUPPLEMENTAL INFORMATION

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2010**

	Special Projects	ROE/ISC Operations	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ 5,704	\$ -	\$ -	\$ 5,704
Due from other funds	31,198	-	(31,198)	-
Due from other governments	7,250	37,321	-	44,571
Total assets	\$ 44,152	\$ 37,321	\$ (31,198)	\$ 50,275
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 35	\$ 127	\$ -	\$ 162
Due to other funds	-	35,008	(31,198)	3,810
Deferred revenue	5,000	24,901	-	29,901
Total liabilities	5,035	60,036	(31,198)	33,873
FUND BALANCES (DEFICITS)				
Unreserved	39,117	(22,715)	-	16,402
Total liabilities and fund balances	\$ 44,152	\$ 37,321	\$ (31,198)	\$ 50,275

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the year ended June 30, 2010**

	Special Projects	ROE/ISC Operations	Total
Revenues:			
Local sources	\$ 33,436	\$ 2,682	\$ 36,118
State sources	-	37,260	37,260
On-behalf payments - local	169,150	-	169,150
On-behalf payments - state	428,196	-	428,196
Interest	1,328	2	1,330
Total revenues	632,110	39,944	672,054
Expenditures:			
Salaries and benefits	-	57,552	57,552
Purchased services	19,647	3,415	23,062
Supplies and materials	2,596	1,692	4,288
Other objects	5,553	-	5,553
On-behalf payments - local	169,150	-	169,150
On-behalf payments - state	428,196	-	428,196
Total expenditures	625,142	62,659	687,801
Excess (deficiency) of revenues over (under) expenditures	6,968	(22,715)	(15,747)
Other financing sources:			
Transfers in	1,713	-	1,713
Net change in fund balances	8,681	(22,715)	(14,034)
Fund balances, beginning of year	30,436	-	30,436
Fund balances (deficits), end of year	\$ 39,117	\$ (22,715)	\$ 16,402

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND ACCOUNTS
ROE/ISC OPERATIONS - PROJECT #10-3730-00
For the year ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Local sources	\$ -	\$ -	\$ 2,682	\$ 2,682
State sources	62,161	62,161	37,260	(24,901)
Interest	-	-	2	2
Total revenues	<u>62,161</u>	<u>62,161</u>	<u>39,944</u>	<u>(22,217)</u>
Expenditures:				
Salaries and Benefits	56,820	56,820	57,552	(732)
Purchased services	4,250	4,250	3,415	835
Supplies and materials	1,091	1,091	1,692	(601)
Total expenditures	<u>62,161</u>	<u>62,161</u>	<u>62,659</u>	<u>(498)</u>
Deficiency of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(22,715)</u>	<u>\$ (22,715)</u>
Fund balance, beginning of year			<u>-</u>	
Fund deficit, end of year			<u>\$ (22,715)</u>	

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND**

June 30, 2010

	<u>Alternative Education Project</u>	<u>Safe School Tuition</u>	<u>Safe School Projects</u>	<u>Administrator's Academy</u>
ASSETS				
Cash and cash equivalents	\$ 338,230	\$ -	\$ 236,262	\$ -
Due from other funds	-	77,417	-	10,693
Due from other governments	-	2,977	-	225
	<u>\$ 338,230</u>	<u>\$ 80,394</u>	<u>\$ 236,262</u>	<u>\$ 10,918</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 8	\$ 14	\$ -	\$ -
Salaries and benefits payable	10,599	9,468	1,438	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
	<u>10,607</u>	<u>9,482</u>	<u>1,438</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Unreserved	<u>327,623</u>	<u>70,912</u>	<u>234,824</u>	<u>10,918</u>
Total liabilities and fund balances	<u>\$ 338,230</u>	<u>\$ 80,394</u>	<u>\$ 236,262</u>	<u>\$ 10,918</u>

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2010**

	<u>Truants Alternative/ Optional Education</u>	<u>NBPTS</u>	<u>Gifted Education</u>	<u>ARRA Enhancing Education Through Technology</u>
ASSETS				
Cash and cash equivalents	\$ 53,743	\$ 1,404	\$ 13,765	\$ 61,452
Due from other funds	-	-	-	-
Due from other governments	<u>87,247</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 140,990</u></u>	<u><u>\$ 1,404</u></u>	<u><u>\$ 13,765</u></u>	<u><u>\$ 61,452</u></u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 229	\$ -	\$ -	\$ 4,000
Salaries and benefits payable	17,070	-	5,073	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	57,360
Deferred revenue	<u>58,218</u>	<u>1,289</u>	<u>8,692</u>	<u>-</u>
Total liabilities	75,517	1,289	13,765	61,360
FUND BALANCES (DEFICITS)				
Unreserved	<u>65,473</u>	<u>115</u>	<u>-</u>	<u>92</u>
Total liabilities and fund balances	<u><u>\$ 140,990</u></u>	<u><u>\$ 1,404</u></u>	<u><u>\$ 13,765</u></u>	<u><u>\$ 61,452</u></u>

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2010**

	Even Start/ Early Childhood Block Grant	Title III English Language Learners	Title I Reading First Part B SEA Funds	Summer School
ASSETS				
Cash and cash equivalents	\$ -	\$ 208	\$ 10,854	\$ -
Due from other funds	-	-	-	648
Due from other governments	543,849	-	2,776	-
Total assets	\$ 543,849	\$ 208	\$ 13,630	\$ 648
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ 216	\$ 13,630	\$ -
Salaries and benefits payable	-	-	-	-
Due to other funds	308,002	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	297,384	-	-	-
Total liabilities	605,386	216	13,630	-
FUND BALANCES (DEFICITS)				
Unreserved	(61,537)	(8)	-	648
Total liabilities and fund balances	\$ 543,849	\$ 208	\$ 13,630	\$ 648

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND**

June 30, 2010

	<u>Homeless Children/Youth</u>	<u>Regional Safe Schools</u>	<u>Regional System of Support Provider</u>
ASSETS			
Cash and cash equivalents	\$ 6,793	\$ -	\$ -
Due from other funds	-	-	-
Due from other governments	-	83,664	9,622
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 6,793</u>	<u>\$ 83,664</u>	<u>\$ 9,622</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 272	\$ -	\$ -
Salaries and benefits payable	-	18,244	-
Due to other funds	-	66,964	10,130
Due to other governments	-	-	-
Deferred revenue	6,521	55,736	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	6,793	140,944	10,130
FUND BALANCES (DEFICITS)			
Unreserved	<u>-</u>	<u>(57,280)</u>	<u>(508)</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 6,793</u>	<u>\$ 83,664</u>	<u>\$ 9,622</u>

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2010**

	Standards Aligned Classroom	Conference	Staff Development
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Due from other funds	-	5,404	3,603
Due from other governments	-	-	-
Total assets	\$ -	\$ 5,404	\$ 3,603
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Deferred revenue	-	-	-
Total liabilities	-	-	-
FUND BALANCES (DEFICITS)			
Unreserved	-	5,404	3,603
Total liabilities and fund balances	\$ -	\$ 5,404	\$ 3,603

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2010**

	Special Education for Infants and Families with Disabilities	Eliminations	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ 722,711
Due from other funds	-	(97,765)	-
Due from other governments	67,057	-	797,417
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 67,057</u>	<u>\$ (97,765)</u>	<u>\$ 1,520,128</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 5,987	\$ -	\$ 24,356
Salaries and benefits payable	-	-	61,892
Due to other funds	50,807	(97,765)	338,138
Due to other governments	-	-	57,360
Deferred revenue	-	-	427,840
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	56,794	(97,765)	909,586
 FUND BALANCES (DEFICITS)			
Unreserved	10,263	-	610,542
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 67,057</u>	<u>\$ (97,765)</u>	<u>\$ 1,520,128</u>

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2010**

	Alternative Education Project	Safe School Tuition	Safe School Projects	Administrator's Academy
Revenues:				
Local sources	\$ -	\$ 144,753	\$ -	\$ 9,275
State sources	95,723	-	108,890	-
Federal sources	21,272	-	24,198	-
Interest	5,331	690	3,516	133
Total revenues	122,326	145,443	136,604	9,408
Expenditures:				
Salaries and benefits	131,795	109,607	108,461	-
Purchased services	4,346	21,332	500	5,956
Supplies and materials	822	8,483	-	337
Capital outlay	-	-	-	-
Total expenditures	136,963	139,422	108,961	6,293
Excess (deficiency) of revenues over (under) expenditures	(14,637)	6,021	27,643	3,115
Other financing uses:				
Transfers out	-	-	-	-
Net change in fund balances	(14,637)	6,021	27,643	3,115
Fund balances, beginning of year	342,260	64,891	207,181	7,803
Fund balances (deficits), end of year	\$ 327,623	\$ 70,912	\$ 234,824	\$ 10,918

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2010**

	Truants Alternative/ Optional Education	NBPTS	Gifted Education	ARRA Enhancing Education Through Technology
Revenues:				
Local sources	\$ 5,738	\$ 2,091	\$ -	\$ -
State sources	102,498	-	63,486	-
Federal sources	20,180	-	-	178,090
Interest	705	23	197	100
Total revenues	129,121	2,114	63,683	178,190
Expenditures:				
Salaries and benefits	104,089	1,999	34,014	8,982
Purchased services	33,218	-	24,141	23,626
Supplies and materials	14,326	-	5,528	88,987
Capital outlay	-	-	-	56,503
Total expenditures	151,633	1,999	63,683	178,098
Excess (deficiency) of revenues over (under) expenditures	(22,512)	115	-	92
Other financing uses:				
Transfers out	-	-	-	-
Net change in fund balances	(22,512)	115	-	92
Fund balances, beginning of year	87,985	-	-	-
Fund balances (deficits), end of year	\$ 65,473	\$ 115	\$ -	\$ 92

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2010**

	Even Start/ Early Childhood Block Grant	Title III English Language Learners	Title I Reading First Part B SEA Funds	Summer School
Revenues:				
Local sources	\$ 40	\$ -	\$ -	\$ 9,265
State sources	466,570	-	-	-
Federal sources	7,000	2,029	31,582	-
Interest	178	7	39	19
Total revenues	473,788	2,036	31,621	9,284
Expenditures:				
Salaries and benefits	511,715	-	2,051	8,520
Purchased services	40,833	1,828	29,399	116
Supplies and materials	27,883	216	171	-
Capital outlay	-	-	-	-
Total expenditures	580,431	2,044	31,621	8,636
Excess (deficiency) of revenues over (under) expenditures	(106,643)	(8)	-	648
Other financing uses:				
Transfers out	-	-	-	-
Net change in fund balances	(106,643)	(8)	-	648
Fund balances, beginning of year	45,106	-	-	-
Fund balances (deficits), end of year	\$ (61,537)	\$ (8)	\$ -	\$ 648

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2010.**

	Homeless Children/Youth	Regional Safe Schools	Regional System of Support Provider	Standards Aligned Classroom
Revenues:				
Local sources	\$ -	\$ 3,085	\$ -	\$ -
State sources	-	83,598	1,417	-
Federal sources	11,986	-	47,103	1,713
Interest	131	-	-	-
Total revenues	12,117	86,683	48,520	1,713
Expenditures:				
Salaries and benefits	3,210	116,464	47,174	-
Purchased services	909	28,077	1,854	-
Supplies and materials	7,998	1,856	-	-
Capital outlay	-	-	-	-
Total expenditures	12,117	146,397	49,028	-
Excess (deficiency) of revenues over (under) expenditures	-	(59,714)	(508)	1,713
Other financing uses:				
Transfers out	-	-	-	(1,713)
Net change in fund balances	-	(59,714)	(508)	-
Fund balances, beginning of year	-	2,434	-	-
Fund balances (deficits), end of year	\$ -	\$ (57,280)	\$ (508)	\$ -

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2010**

	<u>Conference</u>	<u>Staff Development</u>	<u>Special Education for Infants and Families with Disabilities</u>	<u>Total</u>
Revenues:				
Local sources	\$ 10,289	\$ 4,265	\$ 535	\$ 189,336
State sources	-	-	544,038	1,466,220
Federal sources	-	-	72,542	417,695
Interest	96	21	-	11,186
Total revenues	<u>10,385</u>	<u>4,286</u>	<u>617,115</u>	<u>2,084,437</u>
Expenditures:				
Salaries and benefits	-	-	481,885	1,669,966
Purchased services	11,160	580	120,767	348,642
Supplies and materials	-	103	4,200	160,910
Capital outlay	-	-	-	56,503
Total expenditures	<u>11,160</u>	<u>683</u>	<u>606,852</u>	<u>2,236,021</u>
Excess (deficiency) of revenues over (under) expenditures	(775)	3,603	10,263	(151,584)
Other financing uses:				
Transfers out	-	-	-	(1,713)
Net change in fund balances	(775)	3,603	10,263	(153,297)
Fund balances, beginning of year	<u>6,179</u>	<u>-</u>	<u>-</u>	<u>763,839</u>
Fund balances (deficits), end of year	<u>\$ 5,404</u>	<u>\$ 3,603</u>	<u>\$ 10,263</u>	<u>\$ 610,542</u>

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION #10-3695-00
For the year ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources	\$ -	\$ -	\$ 5,738	\$ 5,738
State sources	159,718	159,718	102,498	(57,220)
Federal sources	-	-	20,180	20,180
Interest	-	-	705	705
Total revenues	<u>159,718</u>	<u>159,718</u>	<u>129,121</u>	<u>(30,597)</u>
Expenditures:				
Salaries and benefits	115,665	112,165	104,089	8,076
Purchased services	34,953	34,953	33,218	1,735
Supplies and materials	9,100	12,600	14,326	(1,726)
Total expenditures	<u>159,718</u>	<u>159,718</u>	<u>151,633</u>	<u>8,085</u>
Deficiency of revenues under expenditures	<u>\$ -</u>	<u>\$ -</u>	(22,512)	<u>\$ (22,512)</u>
Fund balance, beginning of year			<u>87,985</u>	
Fund balance, end of year			<u>\$ 65,473</u>	

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
GIFTED EDUCATION #09-3350-00
For the year ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources	\$ 72,178	\$ 72,178	\$ 63,486	\$ (8,692)
Interest	-	-	197	197
Total revenues	<u>72,178</u>	<u>72,178</u>	<u>63,683</u>	<u>(8,495)</u>
Expenditures:				
Salaries and benefits	38,300	34,300	34,014	286
Purchased services	13,570	31,420	24,141	7,279
Supplies and materials	20,308	6,458	5,528	930
Total expenditures	<u>72,178</u>	<u>72,178</u>	<u>63,683</u>	<u>8,495</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			-	
Fund balance, end of year			<u>\$ -</u>	

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ARRA-ENHANCING EDUCATION THROUGH TECHNOLOGY #10-4861-00
For the year ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal Sources	\$ 298,585	\$ 178,090	\$ 178,090	\$ -
Interest	-	-	100	100
Total revenues	<u>298,585</u>	<u>178,090</u>	<u>178,190</u>	<u>100</u>
Expenditures:				
Salaries and benefits	114,447	9,782	8,982	800
Purchased services	34,308	22,818	23,626	(808)
Supplies and materials	90,348	88,032	88,987	(955)
Capital outlay	59,482	57,458	56,503	955
Total expenditures	<u>298,585</u>	<u>178,090</u>	<u>178,098</u>	<u>(8)</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	92	<u>\$ 92</u>
Fund balance, beginning of year			-	
Fund balance, end of year			<u>\$ 92</u>	

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
EVEN START/EARLY CHILDHOOD - BLOCK GRANT #10-3705-00
For the year ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources	\$ -	\$ -	\$ 40	\$ 40
State sources	743,455	743,455	466,570	(276,885)
Federal sources	-	-	7,000	7,000
Interest	-	-	178	178
Total revenues	<u>743,455</u>	<u>743,455</u>	<u>473,788</u>	<u>(269,667)</u>
Expenditures:				
Salaries and benefits	661,611	631,611	511,715	119,896
Purchased services	61,851	61,851	40,833	21,018
Supplies and materials	19,993	49,993	27,883	22,110
Total expenditures	<u>743,455</u>	<u>743,455</u>	<u>580,431</u>	<u>163,024</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(106,643)</u>	<u>\$(106,643)</u>
Fund balance, beginning of year			<u>45,106</u>	
Fund deficit, end of year			<u>\$ (61,537)</u>	

Note: Actual column also includes Even Start revenue (project 10-4335-00) of \$7,000.

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE III ENGLISH LANGUAGE LEARNERS #09-4999-PD
For the year ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources	\$ 6,000	\$ 6,000	\$ 29	\$ (5,971)
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>29</u>	<u>(5,971)</u>
Expenditures:				
Salaries and benefits	300	300	-	300
Purchased services	840	840	-	840
Supplies and materials	360	360	29	331
Payments to other governments	<u>4,500</u>	<u>4,500</u>	<u>-</u>	<u>4,500</u>
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>29</u>	<u>5,971</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, July 1, 2009			<u>\$ -</u>	

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE III ENGLISH LANGUAGE LEARNERS #10-4999-PD
For the year ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Federal sources	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Interest	-	-	7	7
Total revenues	2,000	2,000	2,007	7
Expenditures:				
Purchased services	1,530	1,530	1,828	(298)
Supplies and materials	470	470	187	283
Total expenditures	2,000	2,000	2,015	(15)
Deficiency of revenues under expenditures	<u>\$ -</u>	<u>\$ -</u>	(8)	<u>\$ (8)</u>
Fund balance, July 1, 2009			-	
Fund deficit, end of year			<u>\$ (8)</u>	

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE I READING FIRST PART B SEA FUNDS #10-4337-00
For the year ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources	\$ 40,226	\$ 40,226	\$ 31,582	\$ (8,644)
Interest	-	-	39	39
Total revenues	<u>40,226</u>	<u>40,226</u>	<u>31,621</u>	<u>(8,605)</u>
Expenditures:				
Salaries and benefits	1,893	1,893	2,051	(158)
Purchased services	37,013	37,013	29,399	7,614
Supplies and materials	1,320	1,320	171	1,149
Total expenditures	<u>40,226</u>	<u>40,226</u>	<u>31,621</u>	<u>8,605</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			-	
Fund balance, end of year			<u>\$ -</u>	

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS #10-3696-00
For the year ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources	\$ -	\$ -	\$ 3,085	\$ 3,085
State sources	<u>139,334</u>	<u>139,334</u>	<u>83,598</u>	<u>(55,736)</u>
Total revenues	<u>139,334</u>	<u>139,334</u>	<u>86,683</u>	<u>(52,651)</u>
Expenditures:				
Salaries and benefits	113,751	113,751	116,464	(2,713)
Purchased services	24,500	24,500	28,077	(3,577)
Supplies and materials	<u>1,083</u>	<u>1,083</u>	<u>1,856</u>	<u>(773)</u>
Total expenditures	<u>139,334</u>	<u>139,334</u>	<u>146,397</u>	<u>(7,063)</u>
Deficiency of revenues under expenditures	<u>\$ -</u>	<u>\$ -</u>	(59,714)	<u>\$ (59,714)</u>
Fund balance, beginning of year			<u>2,434</u>	
Fund deficit, end of year			<u>\$ (57,280)</u>	

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2010

	<u>Institute</u>	<u>General Education Development</u>	<u>ROE School Bus Driver Training</u>
ASSETS			
Cash and cash equivalents	\$ 85,450	\$ -	\$ -
Due from other funds	-	11,653	3,184
	<u>85,450</u>	<u>11,653</u>	<u>3,184</u>
Total assets	<u>\$ 85,450</u>	<u>\$ 11,653</u>	<u>\$ 3,184</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
	\$ -	\$ -	\$ -
FUND BALANCES			
Unreserved	<u>85,450</u>	<u>11,653</u>	<u>3,184</u>
Total liabilities and fund balances	<u>\$ 85,450</u>	<u>\$ 11,653</u>	<u>\$ 3,184</u>

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2010

	Supervisory	Total
ASSETS		
Cash and cash equivalents	\$ -	\$ 85,450
Due from other funds	2,248	17,085
Total assets	\$ 2,248	\$ 102,535
LIABILITIES AND FUND BALANCES		
LIABILITIES	\$ -	\$ -
FUND BALANCES		
Unreserved	2,248	102,535
Total liabilities and fund balances	\$ 2,248	\$ 102,535

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the year ended June 30, 2010**

	<u>Institute</u>	<u>General Education Development</u>	<u>ROE School Bus Driver Training</u>
Revenues:			
Local sources	\$ 22,836	\$ 15,969	\$ 1,490
State sources	-	-	1,009
Interest	1,110	195	60
Total revenues	<u>23,946</u>	<u>16,164</u>	<u>2,559</u>
Expenditures:			
Salaries and benefits	9,599	4,391	1,877
Purchased services	10,743	5,187	2,555
Supplies and materials	914	6,487	165
Total expenditures	<u>21,256</u>	<u>16,065</u>	<u>4,597</u>
Excess (deficiency) of revenues over (under) expenditures	2,690	99	(2,038)
Fund balance, beginning of year	<u>82,760</u>	<u>11,554</u>	<u>5,222</u>
Fund balance, end of year	<u>\$ 85,450</u>	<u>\$ 11,653</u>	<u>\$ 3,184</u>

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
For the year ended June 30, 2010**

	Supervisory	Total
Revenues:		
Local sources	\$ 198	\$ 40,493
State sources	3,000	4,009
Interest	31	1,396
	3,229	45,898
Total revenues		
Expenditures:		
Salaries and benefits	-	15,867
Purchased services	2,096	20,581
Supplies and materials	-	7,566
	2,096	44,014
Total expenditures		
Excess (deficiency) of revenues over (under) expenditures	1,133	1,884
Fund balance, beginning of year	1,115	100,651
Fund balance, end of year	\$ 2,248	\$ 102,535

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND**

For the year ended June 30, 2010

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2010</u>
<u>DISTRIBUTIVE FUND</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 81,539,918	\$ 81,539,918	\$ -
Due from other governments	<u>1,541,338</u>	<u>8,899,583</u>	<u>1,541,338</u>	<u>8,899,583</u>
Total assets	<u>\$ 1,541,338</u>	<u>\$ 90,439,501</u>	<u>\$ 83,081,256</u>	<u>\$ 8,899,583</u>
LIABILITIES				
Due to other governments	<u>\$ 1,541,338</u>	<u>\$ 90,439,501</u>	<u>\$ 83,081,256</u>	<u>\$ 8,899,583</u>

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND**

For the year ended June 30, 2010

	Carlyle Community Unit #1	Wesclin Community Unit #3	Breese Community Unit #12	St. Rose Community Unit #14-15	Avison Community Unit #21	Willow Grove Community Unit #46
General State Aid	\$ 3,025,005	\$ 3,622,822	\$ 1,137,712	\$ 479,540	\$ 865,767	\$ 576,279
Gen. State Aid Hold Harmless	-	-	-	-	-	-
Transition Assistance	-	-	50,902	15,179	37,515	11,630
Special Ed. Private Fac. Tuition	-	42,315	-	-	-	-
Special Ed. Extraordinary	133,902	138,597	80,940	16,642	32,218	26,433
Special Ed. - Personnel	220,841	178,179	111,241	15,388	24,575	33,935
Special Ed. - Orphanage - Individual	19,238	35,040	-	-	-	-
Special Ed. - Summer School	254	-	716	-	-	-
V.E.-Career & Tech Ed. Impr.	-	-	-	-	-	-
Agriculture Education	-	-	-	-	-	-
Gifted Education	-	-	-	-	-	-
State Free Lunch and Breakfast	5,317	5,466	3,870	158	683	2,789
School Breakfast Incentive	108	485	15	-	-	77
Driver Education	18,737	16,171	-	-	-	-
Transportation Regular	228,183	90,128	100,220	21,226	49,474	40,979
Transportation - Special Ed.	119,310	108,260	7,477	267	8,514	5,493
ROE School Bus Driver Training	-	-	-	-	-	-
Truant Alternative/Optional Ed.	-	-	-	-	-	-
Regional Safe Schools	-	-	-	-	-	-
Early Childhood - Block Grant	133,324	195,372	62,628	60,306	49,730	-
Reading Improvement-Block Grant	17,988	16,836	11,530	4,223	5,426	4,188
ROE/ISC - Operations	-	-	-	-	-	-
Supervisory Expense	-	-	-	-	-	-
ADA Safety & Ed. Block Grant	5,305	5,836	2,741	757	1,394	663
Arts Education and Foreign Language	-	-	-	-	-	-
Other State Programs	-	-	-	-	-	-
Rural Education Initiative	-	-	-	-	-	-
National School Lunch Program	154,967	130,574	91,124	10,079	25,291	39,702
Special Milk Program	109	-	-	-	-	-
School Breakfast Program	40,538	27,521	28,302	-	-	15,290
Fresh Fruits and Vegetables	-	-	-	-	-	5,036
Title I Low Income	168,785	107,277	56,757	50,799	11,391	40,205
Title I Low Income-Neg)	-	-	-	-	-	-
Reading First Part B SEA	-	-	-	-	-	-
Title IV Safe and Drug Free Sch.	3,317	3,131	2,041	784	524	687
Fed. Special Ed. Pre-School Flow	-	-	-	-	-	-
Fed. Special Ed. IDEA Flow Through	-	-	-	-	-	-
Special Ed. IDEA Room and Board	13,249	11,171	2,603	3,081	5,220	-
V.E. Perkins-Title II C Secondary	-	-	-	-	-	-
ARRA - Oeneral State Aid	505,030	604,091	189,898	79,942	144,330	96,243
ARRA - Title I - Low Income	59,700	27,416	18,820	20,754	4,308	20,704
ARRA - Fed Special Ed. Pre-School	-	-	-	-	-	-
ARRA - Fed Special Ed. IDEA Flow	-	-	-	-	-	-
ARRA - Technology Enhancing	-	-	-	-	-	-
ARRA - NSLP Equipment Assistance	-	-	-	-	-	-
ARRA - General State Aid-Gov't SFSS	168,035	201,286	63,225	26,638	48,097	32,053
Title II Teacher Quality	83,707	41,107	35,451	7,928	6,791	9,794
Technology Literacy Challenge	2,355	841	-	522	-	-
Other Fed. Programs	-	-	-	-	-	-
TOTAL	\$ 5,127,304	\$ 5,609,922	\$ 2,058,213	\$ 814,213	\$ 1,321,248	\$ 962,180

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES (Continued)
DISTRIBUTIVE FUND**

For the year ended June 30, 2010

	Bartelso Community Unit #57	Germantown Community Unit #60	Damiansville Community Unit #62	Albers Community Unit #63	Central Community Unit #71	North Wamac Community Unit #186
General State Aid	\$ 416,088	\$ 768,360	\$ 300,250	\$ 454,094	\$ 779,161	\$ 519,221
Gen. State Aid Hold Harmless	-	-	-	-	-	-
Transition Assistance	8,620	2,581	-	15,098	12,723	-
Special Ed. Private Fac. Tuition	15,181	-	-	-	18,356	-
Special Ed. Extraordinary	14,423	25,563	12,418	16,152	60,924	14,595
Special Ed. - Personnel	10,562	29,365	4,193	14,381	71,061	28,000
Special Ed. - Orphanage - Individual	-	-	-	-	-	-
Special Ed. - Summer School	1,288	-	-	-	-	-
V.E.-Career & Tech Ed. Impr.	-	-	-	-	-	-
Agriculture Education	-	-	-	-	-	-
Gifted Education	-	-	-	-	-	-
State Free Lunch and Breakfast	55	613	488	490	1,447	3,245
School Breakfast Incentive	-	-	-	-	24	7
Driver Education	-	-	-	-	50,134	-
Transportation Regular	18,564	6,951	9,109	16,376	154,986	1,908
Transportation - Special Ed.	31,371	4,345	13,038	-	179,173	3,325
ROE School Bus Driver Training	-	-	-	-	-	-
Truant Alternative/Optional Ed.	-	-	-	-	-	-
Regional Safe Schools	-	-	-	-	-	-
Early Childhood - Block Grant	-	32,189	-	101,513	-	-
Reading Improvement-Block Grant	2,176	-	-	3,331	-	2,717
ROE/ISC - Operations	-	-	-	-	-	-
Supervisory Expense	-	-	-	-	-	-
ADA Safety & Ed. Block Grant	636	1,094	474	704	2,597	535
Arts Education and Foreign Language	-	-	-	-	-	-
Other State Programs	-	-	-	-	-	-
Rural Education Initiative	-	-	-	-	-	-
National School Lunch Program	5,682	20,539	14,079	16,362	48,133	40,218
Special Milk Program	-	-	-	-	-	-
School Breakfast Program	-	-	-	-	5,172	16,672
Fresh Fruits and Vegetables	-	-	-	-	-	-
Title I Low Income	-	7,527	-	19,898	49,212	51,226
Title I Low Income-Negl	-	-	-	-	-	-
Reading First Part B SEA	-	-	-	-	-	-
Title IV Safe and Drug Free Sch.	140	414	185	75	1,920	533
Fed. Special Ed. Pre-School Flow	-	-	-	-	-	-
Fed. Special Ed. IDEA Flow Through	-	-	-	-	-	-
Special Ed. IDEA Room and Board	-	1,287	-	-	12,608	260
V.E. Perkins-Title II C Secondary	-	-	-	-	-	-
ARRA - General State Aid	69,442	128,231	50,123	75,692	130,017	86,816
ARRA - Title I - Low Income	-	-	-	4,475	12,766	21,197
ARRA - Fed Special Ed. Pre-School	-	-	-	-	-	-
ARRA - Fed Special Ed. IDEA Flow	-	-	-	-	-	-
ARRA - Technology Enhancing	-	-	-	-	-	-
ARRA - NSLP Equipment Assistance	-	-	-	-	-	10,318
ARRA - General State Aid-Gov't SFSP	23,142	42,733	16,701	25,222	43,208	28,903
Title II Teacher Quality	6,830	19,894	6,589	3,094	28,194	-
Technology Literacy Challenge	-	-	-	-	-	665
Other Fed. Programs	-	-	-	-	-	-
TOTAL	\$ 624,200	\$ 1,091,686	\$ 427,647	\$ 766,957	\$ 1,661,816	\$ 830,361

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES (Continued)
DISTRIBUTIVE FUND
For the year ended June 30, 2010**

	Raccoon Cons Community Unit #1	Kell Cons Community Unit #2	Iuka Community Unit #7	Selmaville Community Unit #10	Patoka Community Unit #100
General State Aid	\$ 954,846	\$ 459,797	\$ 1,040,844	\$ 730,667	\$ 402,844
Gen. State Aid Hold Harmless	-	-	-	-	87,045
Transition Assistance	8,347	-	-	13,100	-
Special Ed. Private Fac. Tuition	-	-	-	-	-
Special Ed. Extraordinary	29,968	12,505	29,264	26,135	33,128
Special Ed. - Personnel	35,512	8,421	37,695	29,326	23,312
Special Ed. - Orphanage - Individual	11,506	5,127	-	-	-
Special Ed. - Summer School	-	-	-	-	117
V.E.-Career & Tech Ed. Impr.	-	-	-	-	-
Agriculture Education	-	-	-	-	-
Gifted Education	-	-	-	-	-
State Free Lunch and Breakfast	3,385	1,379	3,288	2,574	3,439
School Breakfast Incentive	-	6	-	80	121
Driver Education	-	-	-	-	3,931
Transportation Regular	52,461	35,247	95,470	60,162	122,726
Transportation - Special Ed	34,984	17,045	14,767	11,721	39,397
ROE School Bus Driver Training	-	-	-	-	-
Truant Alternative/Optional Ed.	-	-	-	-	-
Regional Safe Schools	-	-	-	-	-
Early Childhood - Block Grant	-	-	-	-	-
Reading Improvement-Block Grant	5,763	2,754	5,190	4,780	3,925
ROE/ISC - Operations	-	-	-	-	-
Supervisory Expense	-	-	-	-	-
ADA Safety & Ed. Block Grant	1,071	524	1,055	1,043	1,161
Arts Education and Foreign Language	50,000	-	-	-	-
Other State Programs	-	-	-	-	-
Rural Education Initiative	-	-	-	-	-
National School Lunch Program	45,363	21,563	59,143	37,758	57,800
Special Milk Program	-	-	-	-	-
School Breakfast Program	20,652	8,815	24,160	14,241	20,525
Fresh Fruits and Vegetables	-	-	-	-	11,917
Title I Low Income	68,290	49,048	32,976	21,859	63,681
Title I Low Income-Negl	-	-	-	-	-
Reading First Part B SEA	-	-	-	-	-
Title IV Safe and Drug Free Sch.	947	328	699	584	839
Fed. Special Ed. Pre-School Flow	-	-	-	-	-
Fed. Special Ed. IDEA Flow Through	-	-	-	-	-
Special Ed. IDEA Room and Board	2,668	4,990	436	109	4,893
V.E. Perkins-Title II C Secondary	-	-	-	-	-
ARRA - General State Aid	159,446	76,682	173,693	121,939	67,980
ARRA - Title I - Low Income	16,201	10,000	16,109	11,579	15,000
ARRA - Fed Special Ed. Pre-School	-	-	-	-	-
ARRA - Fed Special Ed. IDEA Flow	-	-	-	-	-
ARRA - Technology Enhancing	-	-	-	-	-
ARRA - NSLP Equipment Assistance	-	-	-	-	-
ARRA - General State Aid-Gov't SFSS	53,109	25,539	57,871	40,581	22,040
Title II Teacher Quality	18,206	3,371	16,981	13,160	20,617
Technology Literacy Challenge	444	248	280	201	347
Other Fed. Programs	-	-	-	-	-
TOTAL	\$ 1,573,169	\$ 743,389	\$ 1,609,921	\$ 1,141,599	\$ 1,006,785

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES (Continued)
DISTRIBUTIVE FUND**

For the year ended June 30, 2010

	Salem Community Unit #111	Odin Community Unit #122	Central City Community Unit #133	Centralia Community Unit #135	Centralia High Community Unit #200
General State Aid	\$ 3,548,278	\$ 948,741	\$ 921,082	\$ 5,418,192	\$ 3,680,449
Gen. State Aid Hold Harmless	-	-	-	-	-
Transition Assistance	-	-	16,741	-	-
Special Ed. Private Fac. Tuition	5,806	-	-	-	-
Special Ed. Extraordinary	114,789	26,396	26,762	177,320	126,520
Special Ed. - Personnel	160,240	27,481	50,886	263,493	149,662
Special Ed. - Orphanage - Individual	15,361	2,253	8,167	37,395	43,474
Special Ed. - Summer School	-	378	-	526	-
V.E.-Career & Tech Ed. Impr.	-	-	-	-	-
Agriculture Education	-	-	-	-	-
Gifted Education	-	-	-	-	-
State Free Lunch and Breakfast	7,396	3,079	2,714	23,169	5,951
School Breakfast Incentive	209	27	3	232	454
Driver Education	-	-	-	-	42,723
Transportation Regular	210,832	23,043	28,759	276,048	151,750
Transportation - Special Ed.	92,688	16,497	3,489	215,970	13,467
ROE School Bus Driver Training	-	-	-	-	-
Truant Alternative/Optional Ed.	-	-	-	-	-
Regional Safe Schools	-	-	-	-	-
Early Childhood - Block Grant	-	91,402	-	-	-
Reading Improvement-Block Grant	23,149	5,682	6,022	38,183	-
ROE/TSC - Operations	-	-	-	-	-
Supervisory Expense	-	-	-	-	-
ADA Safety & Ed. Block Grant	4,251	931	974	5,620	4,475
Arts Education and Foreign Language	-	-	-	-	-
Other State Programs	-	-	-	-	26,223
Rural Education Initiative	-	-	-	-	143,477
National School Lunch Program	208,315	39,734	46,721	406,556	-
Special Milk Program	-	-	-	-	-
School Breakfast Program	74,683	11,205	13,498	144,047	49,502
Fresh Fruits and Vegetables	-	11,265	14,841	10,819	-
Title I Low Income	310,943	66,426	81,334	705,126	324,612
Title I Low Income-Neg	-	-	-	28,712	-
Reading First Part B SEA	-	-	-	-	-
Title IV Safe and Drug Free Sch.	4,289	998	1,164	8,417	4,388
Fed. Special Ed. Pre-School Flow	-	-	-	-	-
Fed. Special Ed. IDEA Flow Through	-	-	-	-	-
Special Ed. IDEA Room and Board	4,053	832	17	11,961	7,222
V.E. Perkins-Title II C Secondary	-	-	-	-	-
ARRA - General State Aid	592,932	158,477	153,837	909,301	615,494
ARRA - Title I - Low Income	60,482	33,769	30,770	168,867	136,896
ARRA - Fed Special Ed. Pre-School	-	-	-	-	-
ARRA - Fed Special Ed. IDEA Flow	-	-	-	-	-
ARRA - Technology Enhancing	-	-	-	-	-
ARRA - NSLP Equipment Assistance	-	-	-	-	-
ARRA - General State Aid-Gov't SFSF	197,373	52,784	51,238	302,407	204,599
Title II Teacher Quality	75,679	12,026	22,531	153,091	60,259
Technology Literacy Challenge	2,324	630	690	5,773	3,318
Other Fed. Programs	-	-	-	-	-
TOTAL	\$ 5,714,072	\$ 1,534,056	\$ 1,482,240	\$ 9,311,225	\$ 5,794,915

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES (Continued)
DISTRIBUTIVE FUND**

For the year ended June 30, 2010

	South Central Community Unit #401	Sandoval Community Unit #501	Salem Community Unit #600	Odin Community Unit #700	Oakdale Community Unit #1
General State Aid	\$ 2,255,928	\$ 2,276,347	\$ 2,847,126	\$ 356,301	\$ 263,719
Gen. State Aid Hold Harmless	-	-	-	-	-
Transition Assistance	-	-	-	-	-
Special Ed. Private Fac. Tuition	-	1,197	19,055	-	-
Special Ed. Extraordinary	83,371	62,186	93,271	11,015	9,360
Special Ed. - Personnel	141,587	113,589	99,941	17,749	17,199
Special Ed. - Orphanage - Individual	11,186	13,525	-	-	356
Special Ed. - Summer School	-	-	1,348	-	-
V.E.-Career & Tech Ed. Impr.	-	-	-	-	-
Agriculture Education	-	-	-	-	-
Gifted Education	-	-	-	-	-
State Free Lunch and Breakfast	5,127	4,137	4,530	681	634
School Breakfast Incentive	3	348	3,500	11	6
Driver Education	9,086	6,985	20,033	4,363	-
Transportation Regular	299,091	155,510	109,728	6,978	39,270
Transportation - Special Ed.	97,854	18,212	42,316	1,873	5,597
ROE School Bus Driver Training	-	-	-	-	-
Truant Alternative/Optional Ed.	-	-	-	-	-
Regional Safe Schools	-	-	-	-	-
Early Childhood - Block Grant	-	92,951	-	-	-
Reading Improvement-Block Grant	11,512	9,733	-	-	1,683
ROE/ISC - Operations	-	-	-	-	-
Supervisory Expense	-	-	-	-	-
ADA Safety & Ed. Block Grant	3,025	2,125	3,626	393	375
Arts Education and Foreign Language	-	-	16,605	-	-
Other State Programs	-	17,130	-	-	-
Rural Education Initiative	-	-	-	-	-
National School Lunch Program	154,644	130,249	119,829	8,302	12,091
Special Milk Program	-	509	-	-	-
School Breakfast Program	45,824	52,772	12,632	2,864	3,897
Fresh Fruits and Vegetables	18,010	-	-	-	-
Title I Low Income	151,110	186,995	151,939	18,172	-
Title I Low Income-Negl	-	-	-	-	-
Reading First Part B SEA	-	-	-	-	-
Title IV Safe and Drug Free Sch.	2,943	3,902	2,629	379	143
Fed. Special Ed. Pre-School Flow	-	-	-	-	-
Fed. Special Ed. IDEA Flow Through	-	-	-	-	-
Special Ed. IDEA Room and Board	2,236	405	2,349	-	-
V.E. Perkins-Title II C Secondary	-	-	-	-	-
ARRA - General State Aid	377,010	380,339	475,289	61,190	43,992
ARRA - Title I - Low Income	18,999	102,785	60,739	10,090	-
ARRA - Fed Special Ed. Pre-School	-	-	-	-	-
ARRA - Fed Special Ed. IDEA Flow	-	-	-	-	-
ARRA - Technology Enhancing	-	-	-	-	-
ARRA - NSLP Equipment Assistance	8,163	2,309	-	-	-
ARRA - General State Aid-Govt SFSF	125,428	126,677	158,142	20,354	14,643
Title II Teacher Quality	43,435	46,707	36,971	2,974	2,570
Technology Literacy Challenge	1,252	1,529	-	188	-
Other Fed. Programs	-	-	-	-	-
TOTAL	\$ 3,866,824	\$ 3,809,153	\$ 4,281,598	\$ 533,877	\$ 415,535

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES (Continued)
DISTRIBUTIVE FUND
For the year ended June 30, 2010**

	West Washington Co. Community Unit #10	Irvington Community Unit #11	Ashley Community Unit #15	Hoyleton Cons Community Unit #29	Nashville Community Unit #49
General State Aid	\$ 1,364,637	\$ 297,356	\$ 481,800	\$ 147,246	\$ 883,938
Gen. State Aid Hold Harmless	-	-	-	-	-
Transition Assistance	84,181	-	6,932	13,424	6,022
Special Ed. Private Fac. Tuition	-	-	-	-	-
Special Ed. Extraordinary	57,369	11,075	18,668	8,412	53,940
Special Ed. - Personnel	51,735	14,951	21,149	16,970	74,529
Special Ed. - Orphanage - Individual	-	-	-	-	-
Special Ed. - Summer School	-	-	-	-	-
V.E.-Career & Tech Ed. Impr.	-	-	-	-	-
Agriculture Education	-	-	-	-	-
Gifted Education	-	-	-	-	-
State Free Lunch and Breakfast	1,918	1,475	2,225	569	3,937
School Breakfast Incentive	-	50	-	35	541
Driver Education	7,670	-	-	-	-
Transportation Regular	137,412	19,567	59,706	28,469	88,613
Transportation - Special Ed.	76,729	5,627	36,315	13,195	21,916
ROE School Bus Driver Training	-	-	-	-	-
Truant Alternative/Optional Ed.	-	-	-	-	-
Regional Safe Schools	-	-	-	-	-
Early Childhood - Block Grant	-	-	-	-	121,429
Reading Improvement-Block Grant	6,952	2,471	4,297	1,438	9,333
ROE/TSC - Operations	-	-	-	-	-
Supervisory Expense	-	-	-	-	-
ADA Safety & Ed. Block Grant	2,411	718	550	639	2,279
Arts Education and Foreign Language	-	-	-	-	-
Other State Programs	-	-	-	-	-
Rural Education Initiative	-	-	-	-	-
National School Lunch Program	52,442	18,676	30,998	11,214	75,364
Special Milk Program	-	-	-	-	1,079
School Breakfast Program	-	7,489	13,304	2,751	24,702
Fresh Fruits and Vegetables	-	-	-	-	5,898
Title I Low Income	34,019	22,911	56,716	-	44,138
Title I Low Income-Negl	-	-	-	-	-
Reading First Part B SEA	-	-	-	-	-
Title IV Safe and Drug Free Sch.	1,384	404	2,050	174	1,521
Fed. Special Ed. Pre-School Flow	-	-	-	-	-
Fed. Special Ed. IDEA Flow Through	-	-	-	-	-
Special Ed. IDEA Room and Board	998	-	-	3,992	476
V.E. Perkins-Title II C Secondary	-	-	-	-	-
ARRA - General State Aid	227,625	49,735	80,576	24,612	147,603
ARRA - Title I - Low Income	-	7,115	15,525	-	15,480
ARRA - Fed Special Ed. Pre-School	-	-	-	-	-
ARRA - Fed Special Ed. IDEA Flow	-	-	-	-	-
ARRA - Technology Enhancing	-	-	-	-	-
ARRA - NSLP Equipment Assistance	-	-	-	-	-
ARRA - General State Aid-Gov't SFSP	75,791	16,557	26,802	8,183	49,009
Title II Teacher Quality	21,292	7,792	12,421	3,537	24,967
Technology Literacy Challenge	338	-	435	-	358
Other Fed. Programs	-	-	-	-	-
TOTAL	\$ 2,204,903	\$ 483,969	\$ 870,469	\$ 284,860	\$ 1,657,072

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES (Continued)
DISTRIBUTIVE FUND**

For the year ended June 30, 2010

	Nashville Community Unit #99	Kaskaskia Special Education District #801	Career/ Technolgoy Education System	Regional Office of Education #13	Total
General State Aid	\$ 1,368,428	\$ -	\$ -	\$ 204,614	\$ 43,807,479
Gen. State Aid Hold Harmless	-	-	-	-	87,045
Transition Assistance	-	-	-	-	302,995
Special Ed. Private Fac. Tuition	-	-	-	-	101,910
Special Ed. Extraordinary	55,003	-	-	-	1,639,264
Special Ed. - Personnel	52,791	648,241	-	-	2,798,180
Special Ed. - Orphanage - Individual	-	1,441,302	-	-	1,643,930
Special Ed. - Summer School	699	-	-	-	5,326
V.E.-Career & Tech Ed. Impr.	-	-	169,390	-	169,390
Agriculture Education	-	-	26,795	-	26,795
Gifted Education	-	-	-	72,178	72,178
State Free Lunch and Breakfast	1,085	2,742	-	1,097	111,152
School Breakfast Incentive	-	-	-	61	6,403
Driver Education	21,302	-	-	-	201,135
Transportation Regular	168,568	-	-	-	2,907,514
Transportation - Special Ed.	43,307	-	-	-	1,303,539
ROE School Bus Driver Training	-	-	-	1,009	1,009
Truant Alternative/Optional Ed.	-	-	-	137,033	137,033
Regional Safe Schools	-	-	-	125,391	125,391
Early Childhood - Block Grant	-	-	-	434,085	1,374,929
Reading Improvement-Block Grant	-	-	-	-	211,282
ROE/ISC - Operations	-	-	-	62,407	62,407
Supervisory Expense	-	-	-	3,000	3,000
ADA Safety & Ed. Block Grant	2,265	-	-	-	62,247
Arts Education and Foreign Language	-	-	-	-	66,605
Other State Programs	-	-	-	-	17,130
Rural Education Initiative	-	-	-	-	26,223
National School Lunch Program	27,838	26,639	-	12,406	2,343,872
Special Milk Program	-	-	-	-	1,697
School Breakfast Program	-	14,922	-	7,774	703,754
Fresh Fruits and Vegetables	-	-	-	-	77,786
Title I Low Income	53,145	-	-	-	3,006,517
Title I Low Income-Negl	-	-	-	-	28,712
Reading First Part B SEA	-	-	-	28,806	28,806
Title IV Safe and Drug Free Sch.	1,000	-	-	-	52,933
Fed. Special Ed. Pre-School Flow	-	203,897	-	-	203,897
Fed. Special Ed. IDEA Flow Through	-	3,355,988	-	-	3,355,988
Special Ed. IDEA Room and Board	-	-	-	-	97,116
V.E. Perkins-Title II C Secondary	-	-	148,877	-	148,877
ARRA - General State Aid	228,296	-	-	34,102	7,320,005
ARRA - Title I - Low Income	3,592	-	-	-	924,138
ARRA - Fed Special Ed. Pre-School	-	78,888	-	-	78,888
ARRA - Fed Special Ed. IDEA Flow	-	2,373,190	-	-	2,373,190
ARRA - Technology Enhancing	-	-	-	178,090	178,090
ARRA - NSLP Equipment Assistance	-	-	-	-	20,790
ARRA - General State Aid-Gov't SFSS	75,858	-	-	11,367	2,435,595
Title II Teacher Quality	14,164	-	-	-	862,130
Technology Literacy Challenge	908	-	-	-	23,646
Other Fed. Programs	-	-	-	2,000	2,000
TOTAL	\$ 2,118,249	\$ 8,145,809	\$ 345,062	\$ 1,315,420	\$ 81,539,918

FEDERAL FINANCIAL COMPLIANCE SECTION

**CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010**

Federal Grantor/ Pass-Through Grantor Program or Cluster Title	CFDA Number	Project # (1st 8 digits) or Contract #	Federal Expenditures 7/1/09 - 6/30/10
U.S. Department of Education:			
<i>Passed through Illinois State Board of Education</i>			
(M) State Fiscal Stabilization Fund (SFSF) - Education State Grants Recovery Act	84.394A	10-4850-92	\$ 15,955
(M) State Fiscal Stabilization Fund (SFSF) - Education State Grants Recovery Act	84.394A	10-4850-93	<u>18,148</u>
Total State Fiscal Stabilization Fund (SFSF) - Education State Grants Recovery Act			<u>34,103</u>
(M) State Fiscal Stabilization Fund (SFSF) - Government Services Recovery Act	84.397A	10-4870-92	5,317
(M) State Fiscal Stabilization Fund (SFSF) - Government Services Recovery Act	84.397A	10-4870-93	<u>6,050</u>
Total State Fiscal Stabilization Fund (SFSF) - Government Services Recovery Act			<u>11,367</u>
Total State Fiscal Stabilization Fund (SFSF) Cluster			<u>45,470</u>
<i>Education Technology State Grants Recovery Act:</i>			
(M) ARRA Enhancing Education Through Technology	84.386A	10-4861-00	<u>178,090</u>
<i>Reading First State Grants:</i>			
Title I Reading First Part B SEA Funds	84.357A	10-4337-00	<u>31,582</u>
<i>English Language Acquisition Grants:</i>			
Title III English Language Learning Grant	84.365A	09-4999-PD	29
Title III English Language Learning Grant	84.365A	10-4999-PD	<u>2,000</u>
Total Title III English Language Acquisition Grants			<u>2,029</u>
Total Illinois State Board of Education			<u>257,171</u>
<i>Passed through Regional Office of Education #3</i>			
<i>Education for Homeless Children and Youth</i>			
McKinney Education for Homeless Children	84.196A	10-4920-00	<u>11,986</u>
<i>Passed through Regional Office of Education #50</i>			
<i>Title I Grants to Local Educational Agencies</i>			
Title I School Improvement and Accountability System of Support	84.010A	10-4331-SS	29,726
<i>Improving Teacher Quality Grants:</i>			
Title II Teacher Quality Leadership Grant	84.367A	10-4935-SS	<u>17,377</u>
Total Regional Office of Education #50			<u>47,103</u>
<i>Passed through Department of Human Services</i>			
Special Education Grants for Infants and Family with Disabilities	84.181	11GL749000	<u>72,542</u>
<i>Passed through Kaskaskia College</i>			
Even Start/Early Childhood Block Grant	84.213C	10-4335-00	<u>7,000</u>
Total U.S. Department of Education			<u>395,802</u>
U.S. Department of Agriculture:			
<i>Passed through Illinois State Board of Education</i>			
National School Lunch Program	10.555	09-4210-00	1,245
National School Lunch Program	10.555	10-4210-00	<u>11,161</u>
Total National School Lunch Program			<u>12,406</u>
School Breakfast Program	10.553	09-4220-00	690
School Breakfast Program	10.553	10-4220-00	<u>7,084</u>
Total School Breakfast Program			<u>7,774</u>
Total Illinois State Board of Education			<u>20,180</u>
Total U.S. Department of Agriculture			<u>20,180</u>
TOTAL			<u>\$ 415,982</u>

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010

1. **BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Regional Office of Education #13 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. **SUBRECIPIENTS**

No amounts were awarded to subrecipients.

3. **DESCRIPTIONS OF MAJOR FEDERAL PROGRAMS**

ARRA General State Aid (State Fiscal Stabilization Fund-Education State Grants Recovery Act and Government Services Recovery Act) – These programs are used to pay salaries to support programs that address the educational needs of children at risk of academic failure.

ARRA – Enhancing Education through Technology – This program enables local entities to provide new and emerging technologies, create state-of-the-art learning environments, and offer additional training and support for teachers to help students achieve academically and acquire the skills needed to compete in a global economy.

4. **NON-CASH ASSISTANCE**

The note is not applicable to Regional Office of Education #13.

5. **AMOUNT OF INSURANCE**

The note is not applicable to Regional Office of Education #13.

6. **LOANS OR LOAN GUARANTEES OUTSTANDING**

The note is not applicable to Regional Office of Education #13.