

**STATE OF ILLINOIS
FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21**

**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**

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REGIONAL OFFICE OF EDUCATION NO. 21
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FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21

OFFICIALS

Regional Superintendent

R. Matthew Donkin
(Current and during audit period)

Assistant Regional Superintendent

Kurt Endebroek
(Current and during audit period)

Offices are located at:

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Benton, IL 62812

200 West Jefferson
Marion, IL 62959

Franklin/Williamson Project ECHO
PO Box 238, 17428 Route 37
Johnston City, IL 62951

S.T.A.R. Quest Academy
PO Box 303, 17428 Route 37
Johnston City, IL 62951

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21

COMPLIANCE REPORT

SUMMARY

The compliance testing performed in 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 nonstandard language.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	1	2
Repeated audit findings	1	1
Prior recommendations implemented or not repeated	1	2

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

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

FINDINGS (GOVERNMENT AUDITING STANDARDS)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
10-01	13	Controls over financial statement preparation	Material Weakness

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

None noted.

PRIOR AUDIT FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

None noted.

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
09-02	17	Expenditure reports did not agree to general ledger	Significant Deficiency - Compliance

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Regional Office personnel at a formal exit teleconference on February 14, 2011. Attending were R. Matthew Donkin, Regional Superintendent, Kurt Endebrock, Assistant Regional Superintendent, Johna Schullian, Comptroller, and Tammy Manier, Accountant/Internal Control Officer, from the Regional Office, Leslie McConnell, Manager and Kelli Kauffman-Bruns, Manager from Sikich LLP, and Kelly Mittelstaedt, Audit Manager, from the Office of the Auditor General. Responses to the recommendations had previously been provided by R. Matthew Donkin, Regional Superintendent in a letter on November 30, 2010.

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of the Franklin/Williamson Counties Regional Office of Education No. 21 was performed by Sikich LLP.

Based on their audit, the auditors expressed an unqualified opinion on the Franklin/Williamson Counties Regional Office of Education No. 21's basic financial statements.



3201 West White Oaks Drive, Suite 102 • Springfield, IL 62704

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 Franklin/Williamson Counties Regional Office of Education No. 21, as of and for the year ended June 30, 2010, which collectively comprise the Franklin/Williamson Counties Regional Office of Education No. 21's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Franklin/Williamson Counties Regional Office of Education No. 21'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 the 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 Franklin/Williamson Counties Regional Office of Education No. 21, 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 March 2, 2011 on our consideration of the Franklin/Williamson Counties Regional Office of Education No. 21'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 18 through 24 and 61 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 Franklin/Williamson Counties Regional Office of Education No. 21's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, 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.

Sikeich LLP

Springfield, Illinois
March 2, 2011



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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 the Franklin/Williamson Counties Regional Office of Education No. 21, as of and for the year ended June 30, 2010, which collectively comprise the Franklin/Williamson Counties Regional Office of Education No. 21's basic financial statements and have issued our report thereon dated March 2, 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 Franklin/Williamson Counties Regional Office of Education No. 21'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 Franklin/Williamson Counties Regional Office of Education No. 21's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Franklin/Williamson Counties Regional Office of Education No. 21'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 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 combination of deficiencies, in internal control, such that there is a reasonable

possibility that a material misstatement of the Franklin/Williamson Counties Regional Office of Education No. 21'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 Franklin/Williamson Counties Regional Office of Education No. 21'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 that we reported to management of the Franklin/Williamson Counties Regional Office of Education No. 21 in a separate letter dated March 2, 2011.

The Franklin/Williamson Counties Regional Office of Education No. 21's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Franklin/Williamson Counties Regional Office of Education No. 21'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, the Illinois State Board of Education, and 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.

Sikeich LLP

Springfield, Illinois
March 2, 2011



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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 IN ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the Franklin/Williamson Counties Regional Office of Education No. 21'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 Franklin/Williamson Counties Regional Office of Education No. 21's major federal programs for the year ended June 30, 2010. The Franklin/Williamson Counties Regional Office of Education No. 21'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 Franklin/Williamson Counties Regional Office of Education No. 21's management. Our responsibility is to express an opinion on the Franklin/Williamson Counties Regional Office of Education No. 21'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, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Franklin/Williamson Counties Regional Office of Education No. 21'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 of the Franklin/Williamson Counties Regional Office of Education No. 21's compliance with those requirements.

In our opinion, the Franklin/Williamson Counties Regional Office of Education No. 21 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 Franklin/Williamson Counties Regional Office of Education No. 21 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 Franklin/Williamson Counties Regional Office of Education No. 21's internal control over compliance with the 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 Franklin/Williamson Counties Regional Office of Education No. 21'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 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, the Illinois State Board of Education, and 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.

Sikeich LLP

Springfield, Illinois
March 2, 2011

**FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2010**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: *unqualified*

Internal control over financial reporting:
 Material weakness(es) identified? yes no
 Significant deficiency(ies) identified? yes none noted

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:
 Material weakness(es) identified? yes no
 Significant deficiency(ies) identified? yes no

Type of auditor’s report issued on compliance
 for major programs: *unqualified*

Any audit findings disclosed that are required
 to be reported in accordance with
 Section .510(a) of Circular A-133? yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.196A and 84.387A	Education of Homeless Children and Youth Cluster
84.394A and 84.397A	State Fiscal Stabilization Fund (SFSF) Cluster

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

Auditee qualified as low-risk auditee? yes no

**FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2010**

FINDING 10-01 – Controls over financial statement preparation (Repeat of prior year finding 07-05, 08-03, 09-01)

CRITERIA/SPECIFIC REQUIREMENT:

The Franklin/Williamson Counties Regional Office of Education No. 21 (Regional Office) 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 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting during the fiscal year and posts year end accrual entries for audit purposes. 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:

- 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:

With the wide range of accounting issues the Office deals with, accounting personnel have not obtained necessary training to become proficient in the preparation and review of GAAP based financial statements and to ensure inclusion of all disclosures as required by the Governmental Accounting Standards Board (GASB).

**FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2010**

FINDING 10-01 - Continued

RECOMMENDATION:

As part of its internal control over the preparation of financial statements, including disclosures, the Regional Office 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 an individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office's activities and operations.

MANAGEMENT'S RESPONSE:

In its continuous effort to maintain controls over financial statement preparation, the ROE will follow its hiring of qualified personnel with the pursuit of continued training opportunities to improve its skills and efforts in meeting the requirements.

**FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FEDERAL AWARD FINDINGS
For the Year Ended June 30, 2010**

INSTANCES OF NON COMPLIANCE:

1. None noted.

SIGNIFICANT DEFICIENCIES:

1. None noted.

**FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2010**

Corrective Action Plan

FINDING 10-01 – Controls over financial statement preparation (Repeat of prior year finding 07-05, 08-03 and 09-01)

CONDITION:

The Regional Office does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting during the fiscal year and posts year end accrual entries for audit purposes. 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:

- Adjustments were required to present financial statements in accordance with generally accepted accounting principles.

PLAN:

The ROE will continue searching for in-service and training opportunities in the broad range of its functions it conducts as it continues to further its education in the requirements of meeting this GASB standard.

ANTICIPATED DATE OF COMPLETION:

Implementation will be on-going throughout fiscal year 2011.

CONTACT PERSON:

R. Matthew Donkin, Regional Superintendent

**FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
09-01	Controls over financial statement preparation	Repeated
09-02	Expenditure reports did not agree to general ledger	Not repeated

**FRANKLIN-WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

Franklin/Williamson Counties Regional Office of Education No. 21 (Regional Office) 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's financial statements, which follow.

This report will include past year financial activity, along with fiscal year 2010 activity, making comparisons of the financial position and results of operations more meaningful.

2010 FINANCIAL HIGHLIGHTS

General Fund balance decreased from \$158,449 in fiscal year 2009 to \$133,039 in fiscal year 2010. General Fund revenues decreased from \$295,730 to \$220,350 (excluding on-behalf payments), which is attributable to a decrease in revenues from local and state sources. General Fund expenditures decreased from \$328,031 to \$248,951 (excluding on-behalf payments) due primarily to a decrease in purchased services and salary expense.

USING THIS ANNUAL REPORT

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office's financial activities.
- The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the ROE as a whole and present an overall view of the Office's finances.
- The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Regional Office's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- Supplementary Information further explains and supports the financial statements with a comparison of the Regional Office's detailed information for each category of funds and also provides detailed information about the non-major funds.

**FRANKLIN-WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

Reporting the Franklin-Williamson Counties Regional Office of Education as a Whole

The Statement of Net Assets and the Statement of Activities

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

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

Fund Financial Statements

The fund financial statements provide detailed information about the Regional Office's funds, focusing on its most significant or "major" funds. Funds are accounting devices which allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by State law. The Regional Office established other funds to control and manage money for particular purposes.

The Office has three kinds of fund classifications:

- 1) Governmental funds account for a majority of the Regional Office's services. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Regional Office's programs. The Regional Office's governmental funds include: the General Fund and the Special Revenue Funds.

The governmental fund's required financial statements include a Balance Sheet and a Statement of Revenue, Expenditures and Changes in Fund Balances.

**FRANKLIN-WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

- 2) Proprietary funds account for services for which the Regional Office charges fees under a cost-reimbursement method. These fees cover the costs of certain services it provides.

The proprietary fund's required financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows.

- 3) Fiduciary funds account for services for which the ROE acts as fiscal agent for individuals and private or governmental organizations.

The fiduciary funds required financial statements include a Statement of Fiduciary Net Assets.

A summary reconciliation between the government-wide financial statements and the fund financial statements are included after each fund financial statement.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of financial position. The Regional Office's net assets at the end of fiscal year 2009 totaled \$1,104,667. At the end of fiscal year 2010, the net assets were \$1,156,544. The analysis that follows provides a summary of the Regional Office's net assets at June 30, 2010 and 2009.

**FRANKLIN-WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

**CONDENSED STATEMENT OF NET ASSETS
June 30, 2010 and 2009**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
ASSETS						
Current assets	\$1,250,958	\$1,273,168	\$ -	\$(1,145)	\$1,250,958	\$1,272,023
Capital assets, net of depreciation	147,702	99,077	-	-	147,702	99,077
TOTAL ASSETS	1,398,660	1,372,245	-	(1,145)	1,398,660	1,371,100
LIABILITIES						
Current liabilities	234,459	266,433	-	-	234,459	266,433
Capital lease payable, noncurrent portion	7,657	-	-	-	7,657	-
TOTAL LIABILITIES	242,116	266,433	-	-	242,116	266,433
NET ASSETS						
Investments in capital assets, net of related debt	134,598	99,077	-	-	134,598	99,077
Restricted for teacher professional development	25,559	22,949	-	-	25,559	22,949
Unrestricted	996,387	983,786	-	(1,145)	996,387	982,641
TOTAL NET ASSETS	\$1,156,544	\$1,105,812	\$ -	\$(1,145)	\$1,156,544	\$1,104,667

The Regional Office's net assets increased by \$51,877 from Fiscal Year 2009 to Fiscal Year 2010. This increase occurred as a result of an increase in local funds and interest income and an increase in capital assets placed in service during Fiscal Year 2010. In addition, Institute Funds are restricted for teacher professional development.

**FRANKLIN-WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

The following analysis shows the changes in net assets for the years ended June 30, 2009 and 2010.

**CHANGES IN NET ASSETS
For the Years Ended June 30, 2010 and 2009**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 114,130	\$ 45,068	\$ 130,971	\$ 156,760	\$ 245,101	\$ 201,828
Operating grants & contributions	<u>2,421,921</u>	<u>2,381,142</u>	-	-	<u>2,421,921</u>	<u>2,381,142</u>
Total Program revenues	<u>2,536,051</u>	<u>2,426,210</u>	<u>130,971</u>	<u>156,760</u>	<u>2,667,022</u>	<u>2,582,970</u>
General revenues:						
Local sources	245,795	260,762	-	-	245,795	260,762
On-behalf payments	651,903	558,331	-	-	651,903	558,331
Investment income	10,354	4,259	-	-	10,354	4,259
Loss on disposal of capital assets	(881)	(2,313)	-	-	(881)	(2,313)
Transfers	<u>(1,145)</u>	<u>-</u>	<u>1,145</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General revenues	<u>906,026</u>	<u>821,039</u>	<u>1,145</u>	<u>-</u>	<u>907,171</u>	<u>821,039</u>
Total Revenues	<u>3,442,077</u>	<u>3,247,249</u>	<u>132,116</u>	<u>156,760</u>	<u>3,574,193</u>	<u>3,404,009</u>
Expenses:						
Salaries	1,341,394	1,417,349	-	-	1,341,394	1,417,349
Benefits	211,394	218,851	-	-	211,394	218,851
Purchased services	577,770	591,097	-	-	577,770	591,097
Supplies and materials	110,131	129,106	130,971	157,167	241,102	286,273
Depreciation	51,158	35,008	-	-	51,158	35,008
Other	20,027	20,180	-	-	20,027	20,180
Transfers-payments to other governmental units	427,568	219,675	-	-	427,568	219,675
On-behalf payments	<u>651,903</u>	<u>558,331</u>	<u>-</u>	<u>-</u>	<u>651,903</u>	<u>558,331</u>
Total expenses	<u>3,391,345</u>	<u>3,189,597</u>	<u>130,971</u>	<u>157,167</u>	<u>3,522,316</u>	<u>3,346,764</u>
Change in net assets	50,732	57,652	1,145	(407)	51,877	57,245
Net Assets - beginning	<u>1,105,812</u>	<u>1,048,160</u>	<u>(1,145)</u>	<u>(738)</u>	<u>1,104,667</u>	<u>1,047,422</u>
Net Assets – ending	<u>\$ 1,156,544</u>	<u>\$ 1,105,812</u>	<u>\$ -</u>	<u>\$ (1,145)</u>	<u>\$ 1,156,544</u>	<u>\$ 1,104,667</u>

**FRANKLIN-WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

Governmental Activities

Revenues for governmental activities were \$3,442,077 and expenses were \$3,391,345. The Regional Office will be able to use some of the carryover balances to pay for the additional services offered to and needed by local school districts in future fiscal years.

Business-Type Activities

Revenues and expenses for the Regional Office's business-type activities decreased from the prior fiscal year due to a decrease in quantity of paper requested and purchased in fiscal year 2010 for the local school districts.

Financial Analysis of the Regional Office of Education No. 21 Funds

As previously noted, the Regional Office uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office's governmental funds reported combined fund balances of \$914,580 below last year's ending fund balance of \$1,006,735. The primary reason for the decrease in combined fund balances in fiscal year 2010 were due to fund deferred revenue resulting from delays in receiving grant funds from the Illinois State Board of Education at the end of Fiscal Year 2010.

Governmental Fund Highlights

- The Regional Office had a decrease in grant funds received from the Illinois State Board of Education at the end of Fiscal Year 2010 due to budget cuts and delays in payments being processed by the State.

Budgetary Highlights

The Regional Office annually adopts program budgets on a basis consistent with U.S. generally accepted accounting principles. The Illinois State Board of Education reviews the proposed budgets and either grants approval or returns them without approval with comments. Any unapproved budget must be resubmitted to the Illinois State Board of Education for final approval. The budgets may be amended during the year utilizing procedures prescribed by the Illinois State Board of Education.

**FRANKLIN-WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

Capital Assets

Capital Assets of the Regional Office include office equipment, computers, audio-visual equipment, office furniture, and a building. The Regional Office maintains an inventory of capital assets, which have been accumulated over time. The increase for fiscal year 2010 was a result of a VOIP Telephone System and several E-Instruction CPS Pad Systems being purchased and placed in service during Fiscal Year 2010. The Regional Office's ending net asset balance for fiscal year 2010 is \$147,702 which is the total original cost of the capital assets less accumulated depreciation. More detailed information about capital assets is available in Note 4 to the financial statements.

Economic Factors And Next Year's Budget

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

- The State of Illinois Foundation level remained constant at \$6,119 per student payable in 2010-2011.
- The interest rate on investments remains low and will impact interest earned.
- Several grants have had their funding levels reduced for the coming year.
- The number of students served by the Regional Office is expected to remain constant.

Contacting the Regional Office's Financial Management

This financial report is designed to provide the Regional Office's citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent of the Franklin/Williamson Regional Office of Education No. 21 at 202 W. Main, Benton, IL 62812.

BASIC FINANCIAL STATEMENTS

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
STATEMENT OF NET ASSETS
June 30, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 800,546	\$ -	\$ 800,546
Accounts receivable	16,836	-	16,836
Due from Illinois State Board of Education	123,380	-	123,380
Due from other governments	222,231	44,379	266,610
Prepaid expense	43,586	-	43,586
Internal balances	44,379	(44,379)	-
Total current assets	1,250,958	-	1,250,958
NONCURRENT ASSETS			
Capital assets, net of depreciation	147,702	-	147,702
TOTAL ASSETS	1,398,660	-	1,398,660
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	111,717	-	111,717
Due to other governments	46,004	-	46,004
Deferred revenue	71,291	-	71,291
Current portion of capital lease payable	5,447	-	5,447
Total current liabilities	234,459	-	234,459
NONCURRENT LIABILITIES			
Capital lease payable, noncurrent portion	7,657	-	7,657
TOTAL LIABILITIES	242,116	-	242,116
NET ASSETS			
Invested in capital assets, net of related debt	134,598	-	134,598
Restricted for teacher professional development	25,559	-	25,559
Unrestricted	996,387	-	996,387
TOTAL NET ASSETS	\$ 1,156,544	\$ -	\$ 1,156,544

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

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants	Primary Government		
				Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT						
Governmental Activities:						
Instructional Services:						
Salaries	\$ 1,341,394	\$ 20,860	\$ 1,265,291	\$ (55,243)	\$ -	\$ (55,243)
Benefits	211,394	3,019	203,118	(5,257)	-	(5,257)
Purchased services	577,770	44,760	369,758	(163,252)	-	(163,252)
Supplies and materials	110,131	37,003	149,096	75,968	-	75,968
Depreciation	51,158	-	-	(51,158)	-	(51,158)
Other	20,027	8,488	-	(11,539)	-	(11,539)
Transfers - payments to other governmental units	427,568	-	434,658	7,090	-	7,090
Administrative:						
On-behalf payments	651,903	-	-	(651,903)	-	(651,903)
Total Governmental Activities	<u>3,391,345</u>	<u>114,130</u>	<u>2,421,921</u>	<u>(855,294)</u>	<u>-</u>	<u>(855,294)</u>
Business-type Activities:						
Other	130,971	130,971	-	-	-	-
Total Business-type Activities	<u>130,971</u>	<u>130,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 3,522,316</u>	<u>\$ 245,101</u>	<u>\$ 2,421,921</u>	<u>(855,294)</u>	<u>-</u>	<u>(855,294)</u>
			General Revenues:			
			Local sources	245,795	-	245,795
			On-behalf payments	651,903	-	651,903
			Investment income	10,354	-	10,354
			Loss on disposal of capital assets	(881)	-	(881)
			Transfers	(1,145)	1,145	-
			Total General Revenues	<u>906,026</u>	<u>1,145</u>	<u>907,171</u>
			Change in net assets	50,732	1,145	51,877
			Net Assets - beginning	<u>1,105,812</u>	<u>(1,145)</u>	<u>1,104,667</u>
			Net Assets - ending	<u>\$ 1,156,544</u>	<u>\$ -</u>	<u>\$ 1,156,544</u>

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

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2010

	General Fund	Education Fund	Institute Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 188,567	\$ 587,345	\$ 21,741	\$ 2,893	\$ 800,546
Accounts receivable	3,544	8,760	4,532	-	16,836
Due from Illinois State Board of Education	37,873	85,507	-	-	123,380
Due from other governments	11,770	207,211	-	3,250	222,231
Due from other funds	-	370,669	-	-	370,669
Prepaid expense	-	41,758	1,648	180	43,586
TOTAL ASSETS	<u>\$ 241,754</u>	<u>\$ 1,301,250</u>	<u>\$ 27,921</u>	<u>\$ 6,323</u>	<u>\$ 1,577,248</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts payable	\$ 1,439	\$ 106,633	\$ 1,546	\$ 2,099	\$ 111,717
Due to other governments	62	45,942	-	-	46,004
Due to other funds	80,255	197,320	34,463	14,252	326,290
Deferred revenue	26,959	151,698	-	-	178,657
Total liabilities	<u>108,715</u>	<u>501,593</u>	<u>36,009</u>	<u>16,351</u>	<u>662,668</u>
FUND BALANCE (DEFICIT)					
Unreserved and undesignated					
General fund	133,039	-	-	-	133,039
Special revenue funds	-	799,657	(8,088)	(10,028)	781,541
Total fund balance (deficit)	<u>133,039</u>	<u>799,657</u>	<u>(8,088)</u>	<u>(10,028)</u>	<u>914,580</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 241,754</u>	<u>\$ 1,301,250</u>	<u>\$ 27,921</u>	<u>\$ 6,323</u>	<u>\$ 1,577,248</u>

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

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
GOVERNMENTAL FUNDS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2010

Total fund balances - governmental funds	\$	914,580
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		147,702
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		107,366
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Capital lease payable		(13,104)
Net assets of governmental activities	\$	1,156,544

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

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the Year Ended June 30, 2010

	General Fund	Education Fund	Institute Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
REVENUES					
Local sources	\$ 172,206	\$ 73,589	\$ 94,959	\$ 19,171	\$ 359,925
State sources	37,790	1,286,410	-	2,779	1,326,979
Federal sources	-	987,576	-	-	987,576
Interest income	10,354	-	-	-	10,354
On-behalf payments	651,903	-	-	-	651,903
Total revenues	872,253	2,347,575	94,959	21,950	3,336,737
EXPENDITURES					
Instructional services:					
Salaries	42,833	1,269,706	17,545	11,310	1,341,394
Benefits	6,374	200,718	3,437	865	211,394
Purchased services	171,897	350,472	45,534	13,988	581,891
Supplies and materials	27,847	98,909	1,556	88	128,400
Other	-	11,449	8,578	-	20,027
Transfers - payments to other governmental units	-	427,568	-	-	427,568
On-behalf payments	651,903	-	-	-	651,903
Capital outlay	-	31,593	50,802	-	82,395
Total expenditures	900,854	2,390,415	127,452	26,251	3,444,972
Revenues over (under) expenditures	(28,601)	(42,840)	(32,493)	(4,301)	(108,235)
Other financing sources (uses)					
Capital leases issued	-	-	17,225	-	17,225
Transfers in	3,191	93,840	-	-	97,031
Transfers out	-	(98,176)	-	-	(98,176)
Total other financing sources (uses)	3,191	(4,336)	17,225	-	16,080
Net change in fund balances	(25,410)	(47,176)	(15,268)	(4,301)	(92,155)
FUND BALANCE (DEFICIT),					
BEGINNING OF YEAR	158,449	846,833	7,180	(5,727)	1,006,735
FUND BALANCE (DEFICIT), END OF YEAR	\$ 133,039	\$ 799,657	\$ (8,088)	\$ (10,028)	\$ 914,580

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

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010

Net change in fund balances \$ (92,155)

Amounts reported for governmental activities in the Statement of Activities
are different because:

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	\$ 100,664	
Depreciation expense	<u>(51,158)</u>	49,506

The net effect of various miscellaneous transactions involving
capital assets (i.e., sales, trade-ins, donations, and disposals)
is to increase/decrease net assets:

Disposals of capital assets		(881)
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Revenues in the statement of activities that do not provide current financial resources are not
reported in the funds.

Reduction of fund deferred revenue		107,366
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The issuance of long-term debt (e.g. leases) provides current financial resources to governmental
funds, while the repayment of the principal of long-term debt consumes the current financial resources
of governmental funds. Neither transaction, however, has any effect on net assets. The following is
the detail of the net effect of these differences in the treatment of long-term debt and related items:

Lease proceeds		(17,225)
Repayment of capital lease payable		<u>4,121</u>

Change in net assets of governmental activities \$ 50,732

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2010

	Business-type Activities Enterprise Fund
	<u>Paper Bid</u>
Assets	
Current assets	
Due from other governments	\$ 44,379
Total current assets	<u>44,379</u>
Total Assets	<u>44,379</u>
Liabilities	
Due to other funds	<u>44,379</u>
Total Liabilities	<u>44,379</u>
Net Assets	
Unrestricted	<u><u>\$ -</u></u>

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

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Year Ended June 30, 2010

	Business-type Activities Enterprise Fund
	Paper Bid
Operating revenues	
Local sources	\$ 130,971
Operating expenses	
Supplies and materials	130,971
Operating income	-
Transfers	
Transfers in	1,145
Change in net assets	1,145
Net Assets (Deficit), Beginning of year	(1,145)
Net Assets, End of year	\$ -

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

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2010

	Business-type Activities Enterprise Fund
	Paper Bid
Cash Flows from Operating Activities:	
Receipts from customers	\$ 170,677
Payments to suppliers and providers of goods and services	(171,822)
Net cash used for operating activities	(1,145)
Cash Flows from Noncapital Financing Activities:	
Cash transfers from other funds	1,145
Net cash from noncapital financing activities	1,145
Net change in cash and cash equivalents	-
Cash and cash equivalents - Beginning of year	-
Cash and cash equivalents - End of year	\$ -
Reconciliation of operating income (loss) to net cash used for operating activities:	
Operating income (loss)	\$ -
Adjustments to reconcile operating income (loss) to net cash used for operating activities:	
(Increase)/decrease in assets:	
Due from other governments	39,706
Increase/(decrease) in liabilities:	
Due to other funds	(40,851)
Net cash used for operating activities	\$ (1,145)

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

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2010

	Agency Funds
ASSETS	
Due from other governments	\$ 1,085,881
TOTAL ASSETS	\$ 1,085,881
 LIABILITIES	
Due to primary government	\$ 13,904
Due to other governments	1,071,977
TOTAL LIABILITIES	\$ 1,085,881

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

**FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Franklin/Williamson Counties Regional Office of Education No. 21 (ROE) substantially comply with the rules prescribed by the Illinois State Board of Education (ISBE). These accounting policies conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies.

A. Reporting Entity

The ROE operates under the School Code (Articles 5/3 and 5/3A of *Illinois Compiled Statutes*, Chapter 105). The ROE encompasses Franklin and Williamson Counties. The Regional Superintendent of Schools (Regional Superintendent) serves as chief administrative officer of the ROE and is elected pursuant to Article 3, *Illinois Compiled Statutes*, Chapter 105. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education No. 21 districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS – Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

A. Reporting Entity – Continued

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

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

For the period ended June 30, 2010, the ROE applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education No. 21. Such activities are reported as a single major special revenue fund (Education Fund).

The ROE also acts as the administrative agent for the Franklin County Regional Delivery System (a joint agreement). As administrative agent, the ROE is responsible for the receipt and distribution of the System's funding, as well as all necessary reporting requirements for the Illinois State Board of Education and other granting agencies.

The ROE reporting entity includes all related organizations for which they exercise oversight responsibility.

These are the only activities considered to be part of (controlled by or dependent on) the ROE, as determined by the application of the criteria set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. The criteria for inclusion of an entity include, but are not limited to, legal standing, fiscal dependency, imposition of will, and potential for financial benefit or burden.

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

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS – Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

A. Reporting Entity – Continued

Based on this criteria, the expenditures paid through the funds of Franklin and Williamson Counties, for operation of the ROE, are not included in the reporting entity since it is the county boards that authorize, oversee, and control these expenditures.

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 non-fiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities are supported by intergovernmental revenues and are reported separate from business-type activities, which rely to a significant extent on fees and charges for support.

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 customers or 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 funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and reported 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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS – Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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 current liabilities. The ROE considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues received more than 60 days after the end of the current period are deferred in the governmental fund financial statements, but are recognized as current revenues in the government-wide financial statements. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Revenues from local sources consist primarily of fees charged to school districts for services rendered by the ROE. Miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Grant funds from the State of Illinois are considered to be earned to the extent of expenditures made under the provisions of the grant. Investment earnings are recorded as earned since they are measurable and available.

The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the Statement of Net Assets. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. The accrual basis of accounting is utilized by the proprietary fund type. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when the related liability is incurred.

Under the provisions of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the ROE 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.

When both restricted and unrestricted resources are available for use, it is the ROE's policy to use restricted resources first, then unrestricted resources as they are needed.

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS – Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

The ROE reports the following major governmental funds:

General Fund - The General Fund is used to account for resources traditionally associated with government which are not required, legally or by sound financial management, to be accounted for in another fund. The ROE's General Fund accounts include the following:

- Computer Maintenance – Monies received from local districts for computer maintenance and technical assistance.
- County Budget – Monies received from the Franklin and Williamson County Boards to help support the day to day expenses of the ROE.
- ROE/ISC Operations – Monies received from local and State sources to help support the day to day operating expenses of the ROE.
- Interest Allocation – Accumulated interest earned on ROE funds from the Illinois Funds and local banks. The interest accumulated is to be allocated on a monthly basis to funds having cash balances.
- General Operating – Used to accumulate miscellaneous receipts used to support the day to day expenses of the ROE.
- Enterprise/Workshop – Used to account for revenues received from workshops held by the ROE.

Education Fund - The Education Fund includes proceeds from specific revenue sources (generally all State and federal grants except Supervisory and ROE/ISC Operations) that are legally restricted to expenditures for specified purposes. The ROE's Education Fund accounts include the following:

- Social/Emotional Standards – Funds received to provide services to schools who have received a Social/Emotional Learning Standards Grant. These services include training for teacher teams, trainer fees, and workshop materials.
- 21st Century Community Learning Centers – Local funds received to administer the 21st Century Learning Center after school program.
- Education Careers Heightened Opportunity (ECHO) – Funds received for students attending the alternative school.

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS – Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

- Family Violence – Registration fees from violence prevention workshops.
- Illinois Violence Prevention – Provides training costs and salary for a representative of the Family Violence Coordinating Council to represent the council at meetings in the nine county area of the 1st Circuit.
- Substance Abuse Prevention and Treatment Block Grant – The ROE is the administrative agent for the Department of Human Services funded In Touch program which supports prevention professionals trained to assist communities and schools with the knowledge and skills for effective alcohol, tobacco, and other drug prevention.
- McKinney Education for Homeless Children – This grant provides funds for providing information to schools, community members and government entities about the educational rights of homeless students.
- Regional Gifted – Gifted services range from student oriented programs like the Gifted Olympiads to professional development services such as the Gifted Program Coordinators’ meeting.
- Regional Safe Schools – These funds provide programs for disruptive students who are eligible for suspension or expulsion. The programs provide individually designed curriculum, social skills training, career exploration and work experience opportunities, and opportunities to work toward re-entry into the traditional programs, if appropriate.
- Truants Alternative Optional Education Program (TAOEP) – This program is devoted to ensuring that each referred at-risk student will be provided with individualized educational and supplemental services that meet the holistic needs of students in pursuit of their education development. TAOEP offerings include: identification of at-risk students and dropouts, truancy intervention services, academic intervention and remediation, parental skills development, and network with community agencies and businesses.
- Williamson County Film Library – Funding for the film library is based on an annual assessment fee from each school district in Williamson County. Funds are used to cover salary and travel expenses for the media assistant.
- Math Professional Development – Provides training for local math teachers using the Materials for Teaching Teachers (M2T2) training program.
- Area VI Technology Hub – A local fund to track State dollars received through Jackson/Perry ROE No. 30 Area VI South Technology Center program.

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS – Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

- System of Support – Grant monies in this fund are used to provide professional development activities to schools that are on Illinois’ Academic Watch List. To be on the list, students in the buildings have not made Adequate Yearly Progress for at least two years. The funding sources for this grant are Title I, Title II, and State appropriated monies.
- Title I Reading First Part B SEA Funds (Reading First) – This program is designed to provide professional development for teachers in schools participating in the Reading First program.
- New Principal Mentoring Program – This program provides for the selection and training of experienced principals to serve as mentors for new principals and for the new principals’ participation in the mentoring program designed for them. Funds flow through the Illinois Principals Association from the Illinois State Board of Education.
- Title III Tech Prep – Funding received through the Illinois Community College Board to ensure that all students are college and career ready and provided with the academic and technical competencies to transition from secondary to postsecondary education in order to pursue high skill, high demand, or high wage careers. The program will emphasize comprehensive career preparation and provide a collaborative environment that engages and retains students in learner-centered instruction.
- Vocational Ed Tech Prep – These funds are utilized to pay the salary of the Partnerships for College and Career Success Director. Additional funds are to be used for benefits, workman’s compensation, supplies and materials, software, and professional development.
- Gifted Education – This program provides workshops and other professional development opportunities for teachers working in the area of gifted education.
- State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act and Government Services, Recovery Act – Funding received through the American Recovery and Reinvestment Act to support and restore funding for elementary, secondary, and post secondary education and, as applicable, early childhood education programs and services in State and local educational agencies.

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS – Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Institute Fund – Used to account for examination, registration and renewal fees, and to defray expenses incidental to teacher’s institutes, workshops, and professional meetings. The ROE's Institute Fund accounts include the following:

- Certification – Fees received from teachers when registering for their teaching certificates.
- Institute – The Teacher Institute Fund accounts for teacher registration fees. These funds are to be used to defray expenses connected with improving the technology necessary for the efficient processing of certificates as well as any expenses incidental to teacher institutes, workshops, or meetings of a professional nature that are designed to promote the professional growth of teachers. All funds generated remain restricted until expended only on the aforementioned activities.
- Network Internet – Monies received are used for technical support for local districts and related operating expenses.
- Local Workshop Prevention – Registration fees from the In Touch Prevention conference.

Additionally, the ROE reports the following fund types:

Governmental

Special Revenue Funds - Special Revenue Funds are used to account for the collection and disbursement of earmarked monies. The ROE’s nonmajor Special Revenue Funds include the following:

- Bus Driver Permit – Experienced drivers must take a two-hour refresher course annually, while all new drivers must take an eight-hour course in bus driver safety and first aid, prescribed by the Illinois State Board of Education and administered by the ROE.
- General Education Development (GED) – Illinois law requires the Regional Superintendent of Schools of each county/counties to administer the GED test. The GED tests are given once a month in each county.
- Supervisory – Used to account for travel and other expenditures necessary to perform the duty of supervising the school districts in the region.

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS – Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Proprietary

Proprietary funds account for activities whose costs are funded by fees and charges. These fees and charges are paid by external users for goods or services. The ROE utilizes the following proprietary fund:

- Paper Bid – This program is used to purchase paper in bulk for the schools in order to reduce their costs.

Fiduciary

Agency Funds – Fiduciary funds account for assets held by the ROE in a trustee or agency capacity. Agency funds are custodial in nature and do not involve measurement of results of operations. The ROE utilizes the following agency funds:

- Franklin County Regional Delivery System (Joint Agreement) – The Franklin County Regional Delivery System consists of six Franklin County high schools whose students generate vocational credits which are reimbursed through CTE grant, Agriculture Education and Perkins grants. The systems' governing board consists of the six superintendents and the ROE Superintendent who hires a system director, special population's coordinator, and technical preparation director who oversees the compliance with the grants and distribution of grant allocations.
- School Facility Occupation Tax – The Regional Office receives proceeds generated through the school facility occupation tax. Within thirty days, the Regional Superintendent must disburse those proceeds that it receives that are collected by the Illinois Department of Revenue to each school district that has territory located in the county in which the tax was collected. The proceeds must be disbursed on an enrollment basis and allocated based upon the number of each school district's resident pupils that reside within the county collecting the tax divided by the total number of students for all school districts within the county.

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS – Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Budgetary Data

The grant budgets are submitted to grantor agencies for approval and funding; however, no legal budget is required or adopted. A funding agreement is entered into upon approval of the budget by the grantor. Any subsequent budget revisions must be approved by the grantor. The following accounts prepare budgets:

ROE/ISC Operations	McKinney Education for Homeless
Social/Emotional Standards	Children
ECHO	Regional Safe Schools
Illinois Violence Prevention	TAOEP
Substance Abuse Prevention and Treatment	Reading First
	Title III Tech Prep
	Vocational Ed Tech Prep
	Gifted Education

Budgets for the other funds of the ROE are not legally required and have not been prepared. Accordingly, no actual to budget comparison is included in the basic financial statements. The actual to budget comparisons are prepared on the modified accrual basis of accounting.

E. Cash and Cash Equivalents

Cash consists of demand deposits. For purposes of the Statement of Cash Flows, the ROE considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

F. Investments

Investments are stated at fair value using quoted market prices at June 30, 2010.

G. Due From Other Governments

Due from other governmental units and agencies is reported at gross with no allowance for uncollectibles since management believes the amount of any uncollectible accounts is immaterial.

H. Capital Assets

Capital assets, which include buildings and furniture and equipment, are reported in the applicable governmental column in the government-wide financial statements.

FRANKLIN/WILLIAMSON COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 21
 NOTES TO FINANCIAL STATEMENTS – Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

H. Capital Assets – Continued

General capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The ROE records all capital items, which are individually greater than \$500, with a useful life of greater than one year, as capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and equipment	3-10
Buildings	40

I. Accrued Absences

Compensated absences do not vest or accumulate and are recorded as expenditures when paid.

J. Fund Equity

In the government-wide financial statements fund equity is displayed in three components:

Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation and related debt.

Restricted net assets – Consists of net assets with constraints placed on the use either by (1) outside parties such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. None of the restricted net assets result from enabling legislation adopted by the ROE.

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

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS – Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

J. Fund Equity – Continued

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designated fund balances represent tentative plans for future use of financial resources that are subject to change.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, gains, losses, and other changes in fund balance during the reporting period. Actual results could differ from those estimates.

L. New Accounting Pronouncements

The GASB has issued the following pronouncements effective for the ROE's fiscal year ending June 30, 2010. However, there was no significant impact on the ROE's financial statements as a result of adopting these statements.

GASB Statement No. 45, *Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions*, which improves the relevance and usefulness of financial reporting by a) requiring systematic accrual-basis measurement and recognition of other postemployment benefit cost over a period that approximates employees' years of service and b) providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which establishes accounting and financial reporting requirements for intangible assets to reduce the inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among State and local governments.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting.

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS – Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

L. New Accounting Pronouncements – Continued

GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies* (Issued 12/09) provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code.

2. DEPOSITS AND INVESTMENTS

The *Illinois Compiled Statutes* authorize the ROE to invest in U.S. Government, State of Illinois, and municipal securities; certificates of deposit or time savings deposits insured by the FDIC; mortgage notes, bonds, or debentures issued by the Federal Housing Administration; bonds and other obligations of the Federal National Mortgage Association; commercial paper rated within the three highest classifications by at least two standard rating services; credit union shares; and the Illinois Funds.

Bank Deposits

At June 30, 2010, the government-wide and agency fund's carrying amounts of the ROE's various bank deposits totaled \$800,546 and \$0, respectively. The bank balances totaled \$890,066. Included in the bank balance is \$3,725 invested in the Illinois Funds. All of the bank balances are covered by federal depositor insurance or by collateral held by the ROE, or its agent, in the ROE's name.

Custodial Credit Risk - Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the ROE's deposits may not be returned to it. The ROE does not have a formal investment policy to guard against custodial credit risk for deposits with financial institutions.

Investments

The ROE does not have a formal investment policy but requires that funds be invested solely in investments authorized by the Public Funds Investment Act, 30 ILCS 235/2.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the ROE will not be able to recover the value of its investments that are in possession of an outside party.

Interest Rate Risk - The ROE invests solely in investments authorized by the Public Funds Investment Act, 30 ILCS 235/2.

FRANKLIN/WILLIAMSON COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 21
 NOTES TO FINANCIAL STATEMENTS – Continued

2. DEPOSITS AND INVESTMENTS – Continued

Investments – Continued

Credit Risk - The Illinois Funds (the Fund) is an external investment pool authorized by the Illinois General Assembly. The Fund is exempt from registering with the Securities and Exchange Commission. The Fund is rated by Standard and Poors upon the request of the Fund's management. The most recent money market rating issued by Standard and Poors was AAAm. The fair value of the position in the Illinois Funds Investment Pool is the same as the value of the pool shares. Illinois State Statute provides the Illinois State Treasurer with regulatory oversight over the Pool.

3. COMMON BANK ACCOUNT

Separate bank accounts are not maintained for all Regional Office of Education No. 21 funds. Certain funds maintain their uninvested cash balance in a common checking account with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

4. CAPITAL ASSETS

Governmental Activities

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

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Furniture and equipment	\$ 459,652	\$ 100,664	\$ 36,687	\$ 523,629
Building	<u>47,000</u>	<u>-</u>	<u>-</u>	<u>47,000</u>
Total capital assets	<u>506,652</u>	<u>100,664</u>	<u>36,687</u>	<u>570,629</u>
Less accumulated depreciation for:				
Furniture and equipment	395,825	51,158	35,806	411,177
Building	<u>11,750</u>	<u>-</u>	<u>-</u>	<u>11,750</u>
Total accumulated depreciation	<u>407,575</u>	<u>51,158</u>	<u>35,806</u>	<u>422,927</u>
Total capital assets, net of accumulated depreciation	<u>\$ 99,077</u>	<u>\$ 49,506</u>	<u>\$ 881</u>	<u>\$ 147,702</u>

Depreciation was charged to the Instructional Services activity.

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS – Continued

5. EMPLOYEE'S RETIREMENT PLANS

The Regional Office of Education No. 21 participates in two retirement systems: The Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Members of TRS include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. Employees, other than teachers, who meet prescribed annual hourly standards, are members of IMRF.

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

TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration. TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 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 ROE's TRS-covered employees:

- On Behalf Contributions

The State of Illinois makes employer pension contributions on behalf of the ROE. 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 ROE recognized revenue and expenditures of \$253,200 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 funds were 17.08 percent (\$190,439) and 13.11 percent (\$155,547), respectively.

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS – Continued

5. EMPLOYEE'S RETIREMENT PLANS – Continued

The ROE 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 \$5,171. Contributions for the years ending June 30, 2009 and June 30, 2008 were \$5,357 and \$5,750, respectively.
- Federal and Special Trust Fund Contributions
When TRS members are paid from federal and special trust funds administered by the ROE, there is a statutory requirement for the ROE 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 pension 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 \$81,962 were paid from federal and special trust funds that required employer contributions of \$19,163. For the years ended June 30, 2009 and June 30, 2008, required ROE contributions were \$19,059 and \$19,488, respectively.

- Early Retirement Option (ERO)
The ROE 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 is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2010, the ROE paid no amounts to TRS for employer contributions under the ERO program. For the years ended June 30, 2009 and June 30, 2008, the ROE paid \$0 and \$0 in employer ERO contributions, respectively.

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS – Continued

5. EMPLOYEE'S RETIREMENT PLANS – Continued

New Employer Contributions –

Public Act 94-0004 added two additional employer contributions to TRS.

- Salary increases over 6 percent

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

For the year ended June 30, 2010, the ROE paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2009 and June 30, 2008, the ROE paid \$0 and \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

- Sick leave in excess of normal allotment

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

For the year ended June 30, 2010, the ROE paid \$0 to TRS for sick leave days granted in excess of the normal annual allotment. For the years ended June 30, 2009 and June 30, 2008, the ROE paid \$0 and \$0 in employer contributions granted for sick leave days, respectively.

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, Illinois 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

FRANKLIN/WILLIAMSON COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 21
 NOTES TO FINANCIAL STATEMENTS – Continued

5. EMPLOYEE’S RETIREMENT PLANS – Continued

B. Illinois Municipal Retirement Fund

Plan Description. The ROE’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 ROE’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.

Funding Policy. As set by statute, employees participating in IMRF 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 0.89 percent of annual covered payroll. The ROE also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2009, the ROE’s annual pension cost of \$3,434 for the regular plan was equal to the ROE’s required and actual contributions.

Three-Year Trend Information for the Regular Plan

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	\$ 3,434	100%	\$0
12/31/08	7,429	100	0
12/31/07	32,908	100	0

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS – Continued

5. EMPLOYEE'S RETIREMENT PLANS – Continued

B. Illinois Municipal Retirement Fund – continued

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) 7.50 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3 percent annually. The actuarial value of the ROE'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 percent corridor between the actuarial and market value of assets. The ROE'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 the December 31, 2007 valuation was 5 years.

Funding Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the plan was 92.64 percent funded. The actuarial accrued liability for benefits was \$916,687 and the actuarial value of assets was \$849,230, resulting in an underfunded actuarial accrued liability (UAAL) of \$67,457. The covered payroll (annual payroll of active employees covered by the plan) was \$385,884 and the ratio of the UAAL to the covered payroll was 17 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 percent 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 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.

FRANKLIN/WILLIAMSON COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 21
 NOTES TO FINANCIAL STATEMENTS – Continued

6. INTERFUND RECEIVABLES/PAYABLES

Funds periodically borrow from other funds to cover temporary cash shortages. These loans are usually paid in full within a few months. No interest is charged on the loans outstanding. Following is a summary of the outstanding amounts due from (to) other funds as of June 30, 2010:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ -	\$ 80,255
Education Fund	370,669	197,320
Institute Fund	-	34,463
Non-major Special Revenue Fund	-	14,252
Paper Bid Fund	-	44,379
Total	<u>\$ 370,669</u>	<u>\$ 370,669</u>

7. DUE TO/FROM OTHER GOVERNMENTS

A summary of amounts due from other governments from general, special revenue, proprietary, and agency funds at June 30, 2010 follows:

General Fund:	
Illinois State Board of Education	\$ 37,873
ROE # 30	<u>11,770</u>
Total General Fund	<u>49,643</u>

Education Fund:	
MAN-TRA-CON Corp. (DCEO)	26,611
Illinois State Board of Education	85,507
Illinois Department of Human Services	13,352
Illinois Violence Prevention Authority	910
Regional Delivery Systems (various)	42,909
ROE # 2	72,373
ROE # 30	<u>51,056</u>
Total Education Fund	<u>292,718</u>

Nonmajor Special Revenue Fund:	
ROE # 2	229
ROE # 12	456
ROE # 20	2,238
ROE # 30	<u>327</u>
Total Nonmajor Special Revenue Fund	<u>3,250</u>

FRANKLIN/WILLIAMSON COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 21
 NOTES TO FINANCIAL STATEMENTS – Continued

7. DUE TO/FROM OTHER GOVERNMENTS – Continued

Enterprise Fund:	
School Districts	\$ <u>44,379</u>
Agency Funds:	
Illinois State Board of Education	13,904
Illinois Department of Revenue	<u>1,071,977</u>
Total	<u>1,085,881</u>
Total	<u>\$ 1,475,871</u>

A summary of amounts due to other governments from general, special revenue, and agency funds at June 30, 2010 follows:

General Fund:	
Illinois State Board of Education	\$ 1
United States Department of Education	36
Illinois Violence Prevention Authority	<u>25</u>
Total General Fund	<u>62</u>
Education Fund:	
School Districts	<u>45,942</u>
Agency Fund:	
Primary government (ROE #21)	13,904
School Districts	<u>1,071,977</u>
Total Agency Fund	<u>1,085,881</u>
Total	<u>\$ 1,131,885</u>

8. RISK MANAGEMENT

The ROE is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Insurance to cover these risks is provided through Franklin and Williamson Counties. Claims from these risks have not exceeded commercial insurance coverage during the current fiscal year and the previous two fiscal years.

FRANKLIN/WILLIAMSON COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 21
 NOTES TO FINANCIAL STATEMENTS – Continued

9. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds (which are presented only in combination on the financial statements). Funds having deficit fund balances/net assets and funds which over-expended appropriations during the year are required to be disclosed.

The following funds/fund accounts had deficit fund balances/net assets at June 30, 2010:

General Fund:	
Computer Maintenance	\$ 30,526
ROE/ISC Operations	27,045
Education Fund:	
Vocational Ed Tech Prep	15,834
TAOEP	14,585
Institute Fund:	
Certification	1,800
Network Internet	32,183
Nonmajor Special Revenue Fund:	
General Education Development	12,891

10. ON-BEHALF SALARIES AND BENEFITS

As previously noted, the State of Illinois makes employer pension contributions on behalf of the ROE. The salaries, benefits, and TRS contributions of the Regional Superintendent and the Assistant Superintendent are paid by the State of Illinois. The amounts paid by the State of Illinois are as follows:

Regional Superintendent salary	\$ 100,762
Regional Superintendent benefits (Includes State paid insurance)	12,496
Assistant Regional Superintendent salary	90,686
Assistant Regional Superintendent benefits	<u>21,033</u>
 Total	 <u>\$ 224,977</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.

FRANKLIN/WILLIAMSON COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 21
 NOTES TO FINANCIAL STATEMENTS – Continued

10. ON-BEHALF SALARIES AND BENEFITS – Continued

Franklin and Williamson Counties provide the Regional Office of Education No. 21 with staff on behalf of the Regional Office of Education No. 21. The expenditures paid on the Regional Office of Education No. 21’s behalf for the year ended June 30, 2010, were as follows:

Salaries	\$ 152,946
Benefits	<u>11,683</u>
Total	<u>\$ 164,629</u>

These awards are included in the financial statements of the General Fund as on-behalf payments. In addition to the \$224,977 and \$164,629 above, on-behalf payments include \$253,200 for TRS contributions for the Regional Superintendent, Assistant Regional Superintendent and other employees and \$9,097 for THIS Fund contributions, for a total of \$651,903 for the year ended June 30, 2010.

11. LEASES

The ROE leased office space for their Marion satellite location, office space for their Project ECHO and S.T.A.R. Quest location, and office equipment during the fiscal year. Future minimum rental payments under noncancellable operating leases are as follows:

2011	\$ 51,948
2012	51,948
2013	47,834
2014	37,680
2015	<u>18,000</u>
Total	<u>\$ 207,410</u>

Rent expense for the year ended June 30, 2010 was \$75,486.

FRANKLIN/WILLIAMSON COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 21
 NOTES TO FINANCIAL STATEMENTS – Continued

12. INTERFUND TRANSFERS

During the year ended June 30, 2010, the following interfund transfers occurred:

	<u>Transfer In</u>	<u>Transfers out</u>
General Fund:		
Computer Maintenance	\$ 1,404	\$ -
ROE/ISC Operations	<u>1,787</u>	<u>-</u>
Total General Fund	<u>3,191</u>	<u>-</u>
Education Fund:		
21 st Century Community		
Learning Centers	-	11,535
ECHO	64,789	25,030
Regional Safe Schools	29,051	-
Area VI Technology Hub	-	1,404
State Fiscal Stabilization Fund (SFSF) -		
Education State Grants (Recovery Act)	<u>-</u>	<u>60,207</u>
Total Education Fund	<u>93,840</u>	<u>98,176</u>
Paper Bid Fund	<u>1,145</u>	<u>-</u>
 Total	 <u>\$ 98,176</u>	 <u>\$ 98,176</u>

13. OTHER POSTEMPLOYMENT BENEFITS

The Regional Office of Education No. 21 participates in two retirement systems that provide postemployment benefits to annuitants: The Illinois Municipal Retirement Fund (IMRF) and the Teachers' Retirement System of the State of Illinois (TRS).

A. Illinois Municipal Retirement Fund

The ROE has evaluated its potential other post employment benefits liability. Former employees who choose to retain their rights to health insurance through the ROE are required to pay 100% of the current premium. However, no former employees have chosen to stay in the ROE's health insurance plan. Therefore, there has been zero percent utilization and therefore no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the ROE had no former employees for which the ROE was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the ROE has not recorded any post employment benefit liability as of June 30, 2010.

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS – Continued

13. OTHER POSTEMPLOYMENT BENEFITS – Continued

B. Teachers' Retirement System of the State of Illinois (TRS)

THIS Fund Employer Contributions

The ROE 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 to make contributions to THIS.

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 the previous year.

The State of Illinois makes contributions directly to THIS on behalf of the ROE's TRS-covered employees:

- On Behalf Contributions

The State of Illinois makes employer retiree health insurance contributions on behalf of the ROE. 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 \$9,097 and the ROE recognized revenue and expenditures of this amount during the year.

Had the ROE 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 current standards, the contributions match would have been 0.84 percent of pay or \$9,366 and \$9,966, respectively.

FRANKLIN/WILLIAMSON COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 21
 NOTES TO FINANCIAL STATEMENTS – Continued

13. OTHER POSTEMPLOYMENT BENEFITS – Continued

- Employer Contributions

The ROE 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 ROE paid \$6,823 to THIS Fund. For the years ended June 30, 2009 and June 30, 2008, the ROE paid \$7,024 and \$7,475, 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.

14. LONG-TERM DEBT

Capital Leases

The ROE is obligated under an equipment lease accounted for as a capital lease. The leased asset (telephone system) and related obligation are accounted for as governmental activities. The asset under the capital lease net of depreciation totaled \$44,703 at June 30, 2010. Payments on the leased equipment were made from the Network Internet account within the institute fund used to record network administrator fees and E-rate telephone payments received and were not made from teacher registration or certification fees. The following is a schedule of future minimum lease payments under the capital lease, together with the net present value of the minimum lease payments at June 30, 2010:

Year ended June 30,		
2011	\$	7,295
2012		7,295
2013		<u>1,216</u>
Future minimum lease payments		15,806
Less: Amount representing interest		<u>2,702</u>
Present value of minimum lease payments	\$	<u>13,104</u>

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

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
June 30, 2010

(Unaudited - See Accompanying Independent Auditors' Report)

ILLINOIS MUNICIPAL RETIREMENT FUND

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry (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	\$ 849,230	\$ 916,687	\$ 67,457	92.64%	\$ 385,884	17.48 %
12/31/2008	810,531	817,331	6,800	99.17%	337,676	2.01 %
12/31/2007	860,985	744,713	(116,272)	115.61%	309,872	(37.52)%

On a market basis, the actuarial value of assets as of December 31, 2009 is \$831,204. On a market basis, the funded ratio would be 90.67%.

SUPPLEMENTAL INFORMATION

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21

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

	<u>Computer Maintenance</u>	<u>County Budget</u>	<u>ROE/ISC Operations</u>	<u>Interest Allocation</u>	<u>General Operating</u>	<u>Enterprise/ Workshop</u>	<u>Total</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ 152	\$ -	\$ 14,865	\$ 107,983	\$ 65,567	\$ 188,567
Accounts receivable	-	-	-	-	1,704	1,840	3,544
Due from Illinois State Board of Education	-	-	37,873	-	-	-	37,873
Due from other governments	11,770	-	-	-	-	-	11,770
TOTAL ASSETS	<u>\$ 11,770</u>	<u>\$ 152</u>	<u>\$ 37,873</u>	<u>\$ 14,865</u>	<u>\$ 109,687</u>	<u>\$ 67,407</u>	<u>\$ 241,754</u>
LIABILITIES AND FUND BALANCE							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,439	\$ -	\$ 1,439
Due to other governments	-	-	-	62	-	-	62
Due to other funds	42,296	-	37,959	-	-	-	80,255
Deferred revenue	-	-	26,959	-	-	-	26,959
Total Liabilities	<u>42,296</u>	<u>-</u>	<u>64,918</u>	<u>62</u>	<u>1,439</u>	<u>-</u>	<u>108,715</u>
Fund Balance (Deficit)							
Unreserved and undesignated	<u>(30,526)</u>	<u>152</u>	<u>(27,045)</u>	<u>14,803</u>	<u>108,248</u>	<u>67,407</u>	<u>133,039</u>
Total Fund Balance (Deficit)	<u>(30,526)</u>	<u>152</u>	<u>(27,045)</u>	<u>14,803</u>	<u>108,248</u>	<u>67,407</u>	<u>133,039</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 11,770</u>	<u>\$ 152</u>	<u>\$ 37,873</u>	<u>\$ 14,865</u>	<u>\$ 109,687</u>	<u>\$ 67,407</u>	<u>\$ 241,754</u>

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21

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

	<u>Computer Maintenance</u>	<u>County Budget</u>	<u>ROE/ISC Operations</u>	<u>Interest Allocation</u>	<u>General Operating</u>	<u>Enterprise/ Workshop</u>	<u>Total</u>
REVENUES							
Local sources	\$ 15,424	\$ 104,385	\$ -	\$ -	\$ 26,637	\$ 25,760	\$ 172,206
State sources	-	-	37,790	-	-	-	37,790
Interest income	-	-	-	2,738	7,616	-	10,354
On-behalf payments	-	-	651,903	-	-	-	651,903
Total revenues	<u>15,424</u>	<u>104,385</u>	<u>689,693</u>	<u>2,738</u>	<u>34,253</u>	<u>25,760</u>	<u>872,253</u>
EXPENDITURES							
Salaries	25,833	-	17,000	-	-	-	42,833
Benefits	3,371	-	3,003	-	-	-	6,374
Purchased services	4,749	104,385	36,090	116	25,735	822	171,897
Supplies and materials	-	-	8,657	-	90	19,100	27,847
On-behalf payments	-	-	651,903	-	-	-	651,903
Total expenditures	<u>33,953</u>	<u>104,385</u>	<u>716,653</u>	<u>116</u>	<u>25,825</u>	<u>19,922</u>	<u>900,854</u>
Revenues over (under) expenditures	<u>(18,529)</u>	<u>-</u>	<u>(26,960)</u>	<u>2,622</u>	<u>8,428</u>	<u>5,838</u>	<u>(28,601)</u>
Other financing sources							
Transfers in	1,404	-	1,787	-	-	-	3,191
Total other financing sources	<u>1,404</u>	<u>-</u>	<u>1,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,191</u>
Net change in fund balances	(17,125)	-	(25,173)	2,622	8,428	5,838	(25,410)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>(13,401)</u>	<u>152</u>	<u>(1,872)</u>	<u>12,181</u>	<u>99,820</u>	<u>61,569</u>	<u>158,449</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (30,526)</u>	<u>\$ 152</u>	<u>\$ (27,045)</u>	<u>\$ 14,803</u>	<u>\$ 108,248</u>	<u>\$ 67,407</u>	<u>\$ 133,039</u>

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
ROE/ISC OPERATIONS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
State sources	\$ 64,749	\$ 64,749	\$ 37,790	\$ (26,959)
On-behalf payments from State	-	-	651,903	651,903
Total revenues	64,749	64,749	689,693	624,944
EXPENDITURES				
Salaries	17,000	17,000	17,000	-
Benefits	2,605	2,605	3,003	(398)
Purchased services	35,386	35,386	36,090	(704)
Supplies and materials	9,758	9,758	8,657	1,101
On-behalf payments made to State	-	-	651,903	(651,903)
Total expenditures	64,749	64,749	716,653	(651,904)
Net change in fund balance	\$ -	\$ -	(26,960)	\$ (26,960)
Other financing sources				
Transfers in			1,787	
Revenues and other financing sources over expenditures and other financing sources			(25,173)	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			(1,872)	
FUND BALANCE (DEFICIT), END OF YEAR			\$ (27,045)	

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
EDUCATION FUND
COMBINING SCHEDULE OF ACCOUNTS
June 30, 2010

	<u>Social/ Emotional Standards</u>	<u>21st Century Community Learning Centers</u>	<u>ECHO</u>	<u>Family Violence</u>	<u>Illinois Violence Prevention</u>
ASSETS					
Cash and cash equivalents	\$ 10,524	\$ 2,991	\$ 269,147	\$ 80	\$ 4,185
Accounts receivable	-	-	7,260	-	-
Due from Illinois State Board of Education	-	-	-	-	-
Due from other governments	910	-	26,611	-	-
Due from other funds	-	-	370,669	-	-
Prepaid expense	-	-	28,518	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 11,434</u>	<u>\$ 2,991</u>	<u>\$ 702,205</u>	<u>\$ 80</u>	<u>\$ 4,185</u>
 LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ 159	\$ -	\$ 79,456	\$ -	\$ 34
Due to other governments	-	-	-	-	-
Due to other funds	-	-	4,064	-	-
Deferred revenue	9,275	-	-	-	3,762
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>9,434</u>	<u>-</u>	<u>83,520</u>	<u>-</u>	<u>3,796</u>
Fund Balance					
Unreserved and undesignated	<u>2,000</u>	<u>2,991</u>	<u>618,685</u>	<u>80</u>	<u>389</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>2,000</u>	<u>2,991</u>	<u>618,685</u>	<u>80</u>	<u>389</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 11,434</u>	<u>\$ 2,991</u>	<u>\$ 702,205</u>	<u>\$ 80</u>	<u>\$ 4,185</u>

(Continued)

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
EDUCATION FUND
COMBINING SCHEDULE OF ACCOUNTS
June 30, 2010

	Substance Abuse Prevention & Treatment Block Grant	McKinney Education for Homeless Children	Regional Gifted	Regional Safe Schools	TAOEP
ASSETS					
Cash and cash equivalents	\$ -	\$ 8,055	\$ 7,396	\$ 189,308	\$ -
Accounts receivable	-	-	-	-	-
Due from Illinois State Board of Education	-	10,525	-	74,982	-
Due from other governments	13,352	-	-	-	51,056
Due from other funds	-	-	-	-	-
Prepaid expense	-	-	-	13,240	-
Total Assets	\$ 13,352	\$ 18,580	\$ 7,396	\$ 277,530	\$ 51,056
 LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 9,712	\$ -
Due to other governments	-	505	-	-	-
Due to other funds	13,352	10,601	-	75,338	51,056
Deferred revenue	-	7,364	-	49,988	14,585
Total Liabilities	13,352	18,470	-	135,038	65,641
 Fund Balance					
Unreserved and undesignated	-	110	7,396	142,492	(14,585)
Total Fund Balance	-	110	7,396	142,492	(14,585)
TOTAL LIABILITIES AND FUND BALANCE	\$ 13,352	\$ 18,580	\$ 7,396	\$ 277,530	\$ 51,056

(Continued)

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
EDUCATION FUND
COMBINING SCHEDULE OF ACCOUNTS
June 30, 2010

	<u>Williamson County Film Library</u>	<u>Math Professional Development</u>	<u>Area VI Technology Hub</u>	<u>System of Support</u>	<u>Reading First</u>
ASSETS					
Cash and cash equivalents	\$ 17,088	\$ 3,685	\$ -	\$ 9,237	\$ 37,815
Accounts receivable	-	-	-	-	-
Due from Illinois State Board of Education	-	-	-	-	-
Due from other governments	-	-	-	72,373	-
Due from other funds	-	-	-	-	-
Prepaid expense	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 17,088</u>	<u>\$ 3,685</u>	<u>\$ -</u>	<u>\$ 81,610</u>	<u>\$ 37,815</u>
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 5,398	\$ 874
Due to other governments	-	-	-	45,437	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	36,941
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,941</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,835</u>	<u>37,815</u>
Fund Balance					
Unreserved and undesignated	<u>17,088</u>	<u>3,685</u>	<u>-</u>	<u>30,775</u>	<u>-</u>
Total Fund Balance	<u>17,088</u>	<u>3,685</u>	<u>-</u>	<u>30,775</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 17,088</u>	<u>\$ 3,685</u>	<u>\$ -</u>	<u>\$ 81,610</u>	<u>\$ 37,815</u>

(Continued)

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
EDUCATION FUND
COMBINING SCHEDULE OF ACCOUNTS
June 30, 2010

	New Principal Mentoring Program	Title III Tech Prep	Vocational Ed Tech Prep	Gifted Education	State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	Total
ASSETS						
Cash and cash equivalents	\$ 2,885	\$ -	\$ -	\$ 24,949	\$ -	\$ 587,345
Accounts receivable	1,500	-	-	-	-	8,760
Due from Illinois State Board of Education	-	-	-	-	-	85,507
Due from other governments	-	-	42,909	-	-	207,211
Due from other funds	-	-	-	-	-	370,669
Prepaid expense	-	-	-	-	-	41,758
Total Assets	\$ 4,385	\$ -	\$ 42,909	\$ 24,949	\$ -	\$ 1,301,250
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ 11,000	\$ -	\$ 106,633
Due to other governments	-	-	-	-	-	45,942
Due to other funds	-	-	42,909	-	-	197,320
Deferred revenue	-	-	15,834	13,949	-	151,698
Total Liabilities	-	-	58,743	24,949	-	501,593
Fund Balance						
Unreserved and undesignated	4,385	-	(15,834)	-	-	799,657
Total Fund Balance	4,385	-	(15,834)	-	-	799,657
TOTAL LIABILITIES AND FUND BALANCE	\$ 4,385	\$ -	\$ 42,909	\$ 24,949	\$ -	\$ 1,301,250

(Concluded)

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21

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

	<u>Social/ Emotional Standards</u>	<u>21st Century Community Learning Centers</u>	<u>ECHO</u>	<u>Family Violence</u>	<u>Illinois Violence Prevention</u>
REVENUES					
Local sources	\$ -	\$ 34,391	\$ 18,339	\$ -	\$ -
State sources	82,044	-	786,163	-	17,593
Federal sources	-	-	296,314	-	-
	<u>82,044</u>	<u>34,391</u>	<u>1,100,816</u>	<u>-</u>	<u>17,593</u>
EXPENDITURES					
Salaries	41,197	8,005	709,435	-	12,595
Benefits	4,404	612	105,858	-	964
Purchased services	34,962	11,722	177,876	100	3,821
Supplies and materials	1,481	2,502	50,250	-	214
Capital outlay	-	-	5,223	-	-
Other	-	-	-	-	-
Transfers - payments to other governmental units	-	-	66,000	-	-
	<u>82,044</u>	<u>22,841</u>	<u>1,114,642</u>	<u>100</u>	<u>17,594</u>
Revenues over (under) expenditures	<u>-</u>	<u>11,550</u>	<u>(13,826)</u>	<u>(100)</u>	<u>(1)</u>
Other financing sources (uses)					
Transfers in	-	-	64,789	-	-
Transfers out	-	(11,535)	(25,030)	-	-
	<u>-</u>	<u>(11,535)</u>	<u>39,759</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	15	25,933	(100)	(1)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>2,000</u>	<u>2,976</u>	<u>592,752</u>	<u>180</u>	<u>390</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,000</u>	<u>\$ 2,991</u>	<u>\$ 618,685</u>	<u>\$ 80</u>	<u>\$ 389</u>

(Continued)

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21

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

	<u>Substance Abuse Prevention & Treatment Block Grant</u>	<u>McKinney Education for Homeless Children</u>	<u>Regional Gifted</u>	<u>Regional Safe Schools</u>	<u>TAOEP</u>
REVENUES					
Local sources	\$ -	\$ -	\$ 8,601	\$ -	\$ -
State sources	58,600	-	-	174,870	36,471
Federal sources	<u>106,552</u>	<u>335,759</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>165,152</u>	<u>335,759</u>	<u>8,601</u>	<u>174,870</u>	<u>36,471</u>
EXPENDITURES					
Salaries	124,876	58,288	-	138,798	38,549
Benefits	16,084	21,060	-	25,836	4,917
Purchased services	20,698	11,401	28	31,525	6,211
Supplies and materials	3,493	10,190	-	6,691	1,379
Capital outlay	-	-	-	2,516	-
Other	-	-	11,449	-	-
Transfers - payments to other governmental units	<u>-</u>	<u>221,733</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>165,151</u>	<u>322,672</u>	<u>11,477</u>	<u>205,366</u>	<u>51,056</u>
Revenues over (under) expenditures	<u>1</u>	<u>13,087</u>	<u>(2,876)</u>	<u>(30,496)</u>	<u>(14,585)</u>
Other financing sources (uses)					
Transfers in	-	-	-	29,051	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,051</u>	<u>-</u>
Net change in fund balances	1	13,087	(2,876)	(1,445)	(14,585)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>(1)</u>	<u>(12,977)</u>	<u>10,272</u>	<u>143,937</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ 7,396</u>	<u>\$ 142,492</u>	<u>\$ (14,585)</u>

(Continued)

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21

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

	<u>Williamson County Film Library</u>	<u>Math Professional Development</u>	<u>Area VI Technology Hub</u>	<u>System of Support</u>	<u>Reading First</u>
REVENUES					
Local sources	\$ 4,008	\$ -	\$ -	\$ -	\$ -
State sources	-	12,883	-	5,000	-
Federal sources	-	-	-	155,943	9,824
	<u>4,008</u>	<u>12,883</u>	<u>-</u>	<u>160,943</u>	<u>9,824</u>
EXPENDITURES					
Salaries	-	-	-	17,163	-
Benefits	-	-	-	2,259	-
Purchased services	40	-	-	4,891	-
Supplies and materials	130	-	-	5,612	1,008
Capital outlay	-	-	-	-	-
Other	-	-	-	-	-
Transfers - payments to other governmental units	-	-	-	131,019	8,816
	<u>170</u>	<u>-</u>	<u>-</u>	<u>160,944</u>	<u>9,824</u>
Revenues over (under) expenditures	<u>3,838</u>	<u>12,883</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	(1,404)	-	-
	<u>-</u>	<u>-</u>	<u>(1,404)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,404)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,838	12,883	(1,404)	(1)	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>13,250</u>	<u>(9,198)</u>	<u>1,404</u>	<u>30,776</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 17,088</u>	<u>\$ 3,685</u>	<u>\$ -</u>	<u>\$ 30,775</u>	<u>\$ -</u>

(Continued)

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21

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

	New Principal Mentoring Program	Title III Tech Prep	Vocational Ed Tech Prep	Gifted Education	State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	Total
REVENUES						
Local sources	\$ 8,250	\$ -	\$ -	\$ -	\$ -	\$ 73,589
State sources	-	-	57,068	55,718	-	1,286,410
Federal sources	-	66,540	-	-	16,644	987,576
Total revenues	<u>8,250</u>	<u>66,540</u>	<u>57,068</u>	<u>55,718</u>	<u>16,644</u>	<u>2,347,575</u>
EXPENDITURES						
Salaries	-	7,280	61,188	35,000	17,332	1,269,706
Benefits	-	938	11,714	4,831	1,241	200,718
Purchased services	6,000	23,069	-	13,492	4,636	350,472
Supplies and materials	-	11,399	-	2,395	2,165	98,909
Capital outlay	-	23,854	-	-	-	31,593
Other	-	-	-	-	-	11,449
Transfers - payments to other governmental units	-	-	-	-	-	427,568
Total expenditures	<u>6,000</u>	<u>66,540</u>	<u>72,902</u>	<u>55,718</u>	<u>25,374</u>	<u>2,390,415</u>
Revenues over (under) expenditures	<u>2,250</u>	<u>-</u>	<u>(15,834)</u>	<u>-</u>	<u>(8,730)</u>	<u>(42,840)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	93,840
Transfers out	-	-	-	-	(60,207)	(98,176)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,207)</u>	<u>(4,336)</u>
Net change in fund balances	2,250	-	(15,834)	-	(68,937)	(47,176)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>2,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,937</u>	<u>846,833</u>
FUND BALANCE, END OF YEAR	<u>\$ 4,385</u>	<u>\$ -</u>	<u>\$ (15,834)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 799,657</u>

(Concluded)

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
SOCIAL/EMOTIONAL STANDARDS
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
State sources	<u>\$ 139,000</u>	<u>\$ 82,044</u>	<u>\$ (56,956)</u>
Total revenues	<u>139,000</u>	<u>82,044</u>	<u>(56,956)</u>
 EXPENDITURES			
Salaries	68,984	41,197	27,787
Benefits	10,972	4,404	6,568
Purchased services	52,291	34,962	17,329
Supplies and materials	5,005	1,481	3,524
Capital outlay	<u>1,748</u>	<u>-</u>	<u>1,748</u>
Total expenditures	<u>139,000</u>	<u>82,044</u>	<u>56,956</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ -</u></u>
 FUND BALANCE, BEGINNING OF YEAR		<u>2,000</u>	
 FUND BALANCE, END OF YEAR		<u><u>\$ 2,000</u></u>	

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
ECHO
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2010

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Local sources	\$ -	\$ 18,339	\$ 18,339
State sources	-	786,163	786,163
Federal sources	80,089	296,314	216,225
Total revenues	80,089	1,100,816	1,020,727
EXPENDITURES			
Salaries	56,824	709,435	(652,611)
Benefits	14,147	105,858	(91,711)
Purchased services	1,500	177,876	(176,376)
Supplies and materials	7,618	50,250	(42,632)
Capital outlay	-	5,223	(5,223)
Transfers - payments to other governmental units	-	66,000	(66,000)
Total expenditures	80,089	1,114,642	(1,034,553)
Revenues (under) expenditures	-	(13,826)	(13,826)
Other financing sources (uses)			
Transfers in	-	64,789	64,789
Transfers out	-	(25,030)	(25,030)
Total other financing sources (uses)	-	39,759	39,759
Net change in fund balance	\$ -	25,933	\$ 25,933
FUND BALANCE, BEGINNING OF YEAR		592,752	
FUND BALANCE, END OF YEAR		\$ 618,685	

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
ILLINOIS VIOLENCE PREVENTION
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
State sources	\$ 19,500	\$ 17,593	\$ (1,907)
Total revenues	<u>19,500</u>	<u>17,593</u>	<u>(1,907)</u>
 EXPENDITURES			
Salaries	12,595	12,595	-
Benefits	1,306	964	342
Purchased services	5,300	3,821	1,479
Supplies and materials	299	214	85
Total expenditures	<u>19,500</u>	<u>17,594</u>	<u>1,906</u>
Net change in fund balance	<u>\$ -</u>	(1)	<u>\$ (1)</u>
 FUND BALANCE, BEGINNING OF YEAR		<u>390</u>	
 FUND BALANCE, END OF YEAR		<u>\$ 389</u>	

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
SUBSTANCE ABUSE PREVENTION AND TREATMENT
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2010

	Budget	Actual	Variance Positive (Negative)
REVENUES			
State sources	\$ 58,600	\$ 58,600	\$ -
Federal sources	106,552	106,552	-
Total revenues	165,152	165,152	-
 EXPENDITURES			
Salaries	124,876	124,876	-
Benefits	18,803	16,084	2,719
Purchased services	16,073	20,698	(4,625)
Supplies and materials	5,400	3,493	1,907
Total expenditures	165,152	165,151	1
Net change in fund balance	\$ -	1	\$ 1
FUND BALANCE (DEFICIT), BEGINNING OF YEAR		(1)	
FUND BALANCE, END OF YEAR		\$ -	

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
MCKINNEY EDUCATION FOR HOMELESS CHILDREN
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Federal sources	\$ 347,386	\$ 335,759	\$ (11,627)
Total revenues	<u>347,386</u>	<u>335,759</u>	<u>(11,627)</u>
 EXPENDITURES			
Salaries	49,028	58,288	(9,260)
Benefits	21,508	21,060	448
Purchased services	12,180	11,401	779
Supplies and materials	6,279	10,190	(3,911)
Capital outlay	700	-	700
Transfers - payments to other governmental units	<u>257,691</u>	<u>221,733</u>	<u>35,958</u>
Total expenditures	<u>347,386</u>	<u>322,672</u>	<u>24,714</u>
Net change in fund balance	<u>\$ -</u>	13,087	<u>\$ 13,087</u>
 FUND BALANCE (DEFICIT), BEGINNING OF YEAR			
		<u>(12,977)</u>	
 FUND BALANCE , END OF YEAR			
		<u>\$ 110</u>	

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
REGIONAL SAFE SCHOOLS
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2010

	Budget	Actual	Variance Positive (Negative)
REVENUES			
State sources	\$ 149,961	\$ 174,870	\$ 24,909
Total revenues	149,961	174,870	24,909
EXPENDITURES			
Salaries	122,588	138,798	(16,210)
Benefits	24,361	25,836	(1,475)
Purchased services	2,962	31,525	(28,563)
Supplies and materials	50	6,691	(6,641)
Capital outlay	-	2,516	(2,516)
Total expenditures	149,961	205,366	(55,405)
Revenues over expenditures	-	(30,496)	(30,496)
Other financing sources			
Transfers in	-	29,051	29,051
Net change in fund balance	\$ -	(1,445)	\$ (1,445)
FUND BALANCE, BEGINNING OF YEAR		143,937	
FUND BALANCE, END OF YEAR		\$ 142,492	

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
TAOEP
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2010

	Budget	Actual	Variance Positive (Negative)
REVENUES			
State sources	\$ 51,056	\$ 36,471	\$ (14,585)
Total revenues	51,056	36,471	(14,585)
 EXPENDITURES			
Salaries	38,549	38,549	-
Benefits	4,995	4,917	78
Purchased services	6,252	6,211	41
Supplies and materials	1,260	1,379	(119)
Total expenditures	51,056	51,056	-
Net change in fund balance	\$ -	(14,585)	\$ (14,585)
 FUND BALANCE, BEGINNING OF YEAR		-	
 FUND BALANCE , END OF YEAR		\$ (14,585)	

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
READING FIRST
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2010

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Federal sources	\$ 46,765	\$ 9,824	\$ (36,941)
Total revenues	46,765	9,824	(36,941)
 EXPENDITURES			
Salaries	2,000	-	2,000
Benefits	284	-	284
Purchased services	3,513	-	3,513
Supplies and materials	13,170	1,008	12,162
Transfers - payments to other governmental units	27,798	8,816	18,982
Total expenditures	46,765	9,824	36,941
Net change in fund balance	\$ -	-	\$ -
FUND BALANCE, BEGINNING OF YEAR		-	
FUND BALANCE , END OF YEAR		\$ -	

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
TITLE III TECH PREP
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Federal sources	\$ 66,540	\$ 66,540	\$ -
Total revenues	<u>66,540</u>	<u>66,540</u>	<u>-</u>
 EXPENDITURES			
Salaries	7,280	7,280	-
Benefits	995	938	57
Purchased services	23,012	23,069	(57)
Supplies and materials	9,781	11,399	(1,618)
Capital outlay	23,854	23,854	-
Miscellaneous expenditures	<u>1,618</u>	<u>-</u>	<u>1,618</u>
Total expenditures	<u>66,540</u>	<u>66,540</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
 FUND BALANCE, BEGINNING OF YEAR		<u>-</u>	
 FUND BALANCE, END OF YEAR		<u>\$ -</u>	

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
VOCATIONAL ED TECH PREP
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
State sources	\$ 85,738	\$ 57,068	\$ (28,670)
Total revenues	<u>85,738</u>	<u>57,068</u>	<u>(28,670)</u>
 EXPENDITURES			
Salaries	61,188	61,188	-
Benefits	11,508	11,714	(206)
Purchased services	510	-	510
Supplies and materials	<u>12,532</u>	<u>-</u>	<u>12,532</u>
Total expenditures	<u>85,738</u>	<u>72,902</u>	<u>12,836</u>
Net change in fund balance	<u>\$ -</u>	(15,834)	<u>\$ (15,834)</u>
 FUND BALANCE, BEGINNING OF YEAR		<u>-</u>	
 FUND BALANCE, END OF YEAR		<u>\$ (15,834)</u>	

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
GIFTED EDUCATION
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2010

	Budget	Actual	Variance Positive (Negative)
REVENUES			
State sources	\$ 69,667	\$ 55,718	\$ (13,949)
Total revenues	69,667	55,718	(13,949)
 EXPENDITURES			
Salaries	36,800	35,000	1,800
Benefits	4,383	4,831	(448)
Purchased services	15,460	13,492	1,968
Supplies and materials	13,024	2,395	10,629
Total expenditures	69,667	55,718	13,949
Net change in fund balance	\$ -	-	\$ -
 FUND BALANCE, BEGINNING OF YEAR		-	
 FUND BALANCE, END OF YEAR		\$ -	

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21

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

	<u>Certification</u>	<u>Institute</u>	<u>Network Internet</u>	<u>Local Workshop Prevention</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ 21,405	\$ -	\$ 336	\$ 21,741
Accounts receivable	304	4,154	74	-	4,532
Prepaid expense	-	-	1,648	-	1,648
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 304</u>	<u>\$ 25,559</u>	<u>\$ 1,722</u>	<u>\$ 336</u>	<u>\$ 27,921</u>
 LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ 634	\$ -	\$ 912	\$ -	\$ 1,546
Due to other funds	1,470	-	32,993	-	34,463
Total Liabilities	<u>2,104</u>	<u>-</u>	<u>33,905</u>	<u>-</u>	<u>36,009</u>
 Fund Balance (Deficit)					
Unreserved and undesignated	<u>(1,800)</u>	<u>25,559</u>	<u>(32,183)</u>	<u>336</u>	<u>(8,088)</u>
Total Fund Balance (Deficit)	<u>(1,800)</u>	<u>25,559</u>	<u>(32,183)</u>	<u>336</u>	<u>(8,088)</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 304</u>	 <u>\$ 25,559</u>	 <u>\$ 1,722</u>	 <u>\$ 336</u>	 <u>\$ 27,921</u>

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21

**INSTITUTE FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2010**

	<u>Certification</u>	<u>Institute</u>	<u>Network Internet</u>	<u>Local Workshop Prevention</u>	<u>Total</u>
REVENUES					
Local sources	\$ 8,488	\$ 12,327	\$ 74,144	\$ -	\$ 94,959
Total revenues	<u>8,488</u>	<u>12,327</u>	<u>74,144</u>	<u>-</u>	<u>94,959</u>
EXPENDITURES					
Salaries	-	-	17,545	-	17,545
Benefits	-	-	3,437	-	3,437
Purchased services	-	7,394	38,140	-	45,534
Supplies and materials	-	1,556	-	-	1,556
Capital outlay	-	767	50,035	-	50,802
Other	8,578	-	-	-	8,578
Total expenditures	<u>8,578</u>	<u>9,717</u>	<u>109,157</u>	<u>-</u>	<u>127,452</u>
Revenues over (under) expenditures	<u>(90)</u>	<u>2,610</u>	<u>(35,013)</u>	<u>-</u>	<u>(32,493)</u>
Other financing sources					
Capital leases issued	-	-	17,225	-	17,225
Total other financing sources	<u>-</u>	<u>-</u>	<u>17,225</u>	<u>-</u>	<u>17,225</u>
Net change in fund balances	(90)	2,610	(17,788)	-	(15,268)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>(1,710)</u>	<u>22,949</u>	<u>(14,395)</u>	<u>336</u>	<u>7,180</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (1,800)</u>	<u>\$ 25,559</u>	<u>\$ (32,183)</u>	<u>\$ 336</u>	<u>\$ (8,088)</u>

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET**

June 30, 2010

	<u>Bus Driver Permit</u>	<u>General Education Development</u>	<u>Supervisory</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 2,893	\$ -	\$ -	\$ 2,893
Due from other governments	-	3,250	-	3,250
Prepaid expense	-	180	-	180
TOTAL ASSETS	<u>\$ 2,893</u>	<u>\$ 3,430</u>	<u>\$ -</u>	<u>\$ 6,323</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ 30	\$ 2,069	\$ -	\$ 2,099
Due to other funds	-	14,252	-	14,252
Total Liabilities	<u>30</u>	<u>16,321</u>	<u>-</u>	<u>16,351</u>
Fund Balance (Deficit)				
Unreserved and undesignated	<u>2,863</u>	<u>(12,891)</u>	<u>-</u>	<u>(10,028)</u>
Total Fund Balance (Deficit)	<u>2,863</u>	<u>(12,891)</u>	<u>-</u>	<u>(10,028)</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,893</u>	<u>\$ 3,430</u>	<u>\$ -</u>	<u>\$ 6,323</u>

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21

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

	Bus Driver Permit	General Education Development	Supervisory	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES				
Local sources	\$ 882	\$ 18,289	\$ -	\$ 19,171
State sources	779	-	2,000	2,779
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	1,661	18,289	2,000	21,950
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
EXPENDITURES				
Salaries	-	11,310	-	11,310
Benefits	-	865	-	865
Purchased services	1,122	10,866	2,000	13,988
Supplies and materials	-	88	-	88
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	1,122	23,129	2,000	26,251
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues over (under) expenditures	539	(4,840)	-	(4,301)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net change in fund balances	539	(4,840)	-	(4,301)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	2,324	(8,051)	-	(5,727)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE (DEFICIT), END OF YEAR	\$ 2,863	\$ (12,891)	\$ -	\$ (10,028)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
ALL AGENCY FUNDS
June 30, 2010

	<u>School Facility Occupation Tax</u>	<u>Franklin County Regional Delivery System</u>	<u>Total</u>
ASSETS			
Due from other governments	\$ 1,071,977	\$ 13,904	\$ 1,085,881
TOTAL ASSETS	<u>\$ 1,071,977</u>	<u>\$ 13,904</u>	<u>\$ 1,085,881</u>
LIABILITIES			
Due to primary government	\$ -	\$ 13,904	\$ 13,904
Due to other governments	<u>1,071,977</u>	<u>-</u>	<u>1,071,977</u>
TOTAL LIABILITIES	<u>\$ 1,071,977</u>	<u>\$ 13,904</u>	<u>\$ 1,085,881</u>

See accompanying Independent Auditors' Report.

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2010

<u>SCHOOL FACILITY OCCUPATION TAX</u>	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
ASSETS				
Due from other governments	\$ 977,356	\$ 1,071,977	\$ 977,356	\$ 1,071,977
TOTAL ASSETS	<u>\$ 977,356</u>	<u>\$ 1,071,977</u>	<u>\$ 977,356</u>	<u>\$ 1,071,977</u>
LIABILITIES				
Due to other governments	\$ 977,356	\$ 1,071,977	\$ 977,356	\$ 1,071,977
TOTAL LIABILITIES	<u>\$ 977,356</u>	<u>\$ 1,071,977</u>	<u>\$ 977,356</u>	<u>\$ 1,071,977</u>
 <u>FRANKLIN COUNTY REGIONAL DELIVERY SYSTEM</u>				
ASSETS				
Cash and cash equivalents	\$ 1,499	\$ -	\$ 1,499	\$ -
Due from Illinois State Board of Education	7,091	-	7,091	-
Due from other governments	-	13,904	-	13,904
TOTAL ASSETS	<u>\$ 8,590</u>	<u>\$ 13,904</u>	<u>\$ 8,590</u>	<u>\$ 13,904</u>
LIABILITIES				
Due to primary government	\$ 6,159	\$ 13,904	\$ 6,159	\$ 13,904
Due to other governments	2,431	-	2,431	-
TOTAL LIABILITIES	<u>\$ 8,590</u>	<u>\$ 13,904</u>	<u>\$ 8,590</u>	<u>\$ 13,904</u>
 <u>TOTAL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 1,499	\$ -	\$ 1,499	\$ -
Due from Illinois State Board of Education	7,091	-	7,091	-
Due from other governments	977,356	1,085,881	977,356	1,085,881
TOTAL ASSETS	<u>\$ 985,946</u>	<u>\$ 1,085,881</u>	<u>\$ 985,946</u>	<u>\$ 1,085,881</u>
LIABILITIES				
Due to primary government	\$ 6,159	\$ 13,904	\$ 6,159	\$ 13,904
Due to other governments	979,787	1,071,977	979,787	1,071,977
TOTAL LIABILITIES	<u>\$ 985,946</u>	<u>\$ 1,085,881</u>	<u>\$ 985,946</u>	<u>\$ 1,085,881</u>

See accompanying Independent Auditors' Report.

FEDERAL COMPLIANCE SECTION

FRANKLIN/WILLIAMSON COUNTIES REGIONAL OFFICE OF EDUCATION NO. 21

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2010**

Federal Grantor/Pass-Through Grantor, Program or Cluster Title	CFDA Number	ISBE Project # (1st 8 digits) or Contract #	Federal Expenditures 7/1/09 - 6/30/10
U.S. DEPARTMENT OF AGRICULTURE:			
Passed through Illinois State Board of Education:			
School Breakfast Program	10.553	09-4220-00	\$ 3,605
School Breakfast Program	10.553	10-4220-00	6,780
National School Lunch Program	10.555	09-4210-00	15,102
National School Lunch Program	10.555	10-4210-00	20,353
Total Child Nutrition Cluster (ECHO)			<u>45,840</u>
U.S. DEPARTMENT OF LABOR:			
Passed through Man-Tra-Con Corp.:			
WIA Youth Activities	17.259	n/a	<u>77,038</u>
U.S. DEPARTMENT OF EDUCATION:			
Passed through Regional Office of Education No. 02:			
Title I - Grants to Local Educational Agencies (System of Support)	84.010A	10-4331-SS	<u>150,609</u>
Passed through Illinois State Board of Education:			
Education of Homeless Children and Youth	84.196A	09-4920-00	16,025
Education of Homeless Children and Youth	84.196A	10-4920-00	170,626
ARRA - Education of Homeless Children and Youth, Recovery Act	84.387A	10-4862-00	149,109
(M) Total Education of Homeless Children and Youth Cluster			<u>335,760</u>
Passed through Illinois Department of Human Services:			
Safe and Drug-Free Schools and Communities State Grants	84.186	11GL200000	<u>7,664</u>
Passed through Illinois Community College Board:			
Tech-Prep Education	84.243	10PCCS7540	<u>66,540</u>
Passed through Regional Office of Education No. 02:			
Improving Teacher Quality State Grants (System of Support)	84.367A	10-4935-SS	<u>5,334</u>
Passed through Illinois State Board of Education:			
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants	84.394A	10-4850-92	130,076
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants	84.394A	10-4850-93	12,483
ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services	84.397A	10-4870-92	43,359
ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services	84.397A	10-4870-93	4,161
(M) Total State Fiscal Stabilization Fund (SFSF) Cluster			<u>190,079</u>
Passed through Illinois State Board of Education:			
Reading First State Grants	84.357	10-4337-00	<u>9,824</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Passed through Illinois Department of Human Services:			
Substance Abuse Prevention & Treatment Block Grant	93.959	11GL200000	<u>98,888</u>
Total Expenditures of Federal Awards			<u>\$ 987,576</u>
(M) Program was audited as a major program.			

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

FRANKLIN/WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2010

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Franklin/Williamson Counties Regional Office of Education No. 21 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 on this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

2. DESCRIPTION OF FEDERAL PROGRAMS AUDITED AS A MAJOR PROGRAM

The major federal programs of the Franklin/Williamson Counties Regional Office of Education No. 21 are the Education for Homeless Children and Youth Cluster (CFDA # 84.196A and 84.387A) and the State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act Cluster (CFDA #84.394A and 84.397A). The Education for Homeless Children and Youth funds are used for providing information to schools, community members and government entities about the educational rights of homeless students. The State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act funds are used to restore funding for elementary, secondary, and post secondary education and, as applicable, early childhood education programs and services in State and local educational agencies.

3. SUBRECIPIENTS

Of the expenditures in this schedule, the Franklin/Williamson Counties Regional Office of Education No. 21 provided awards to subrecipients in the amount of \$85,402 under the Education for Homeless Children and Youth grant, CFDA # 84.196A and \$136,331 under the ARRA – Education for Homeless Children and Youth grant, CFDA # 84.387A.

4. INSURANCE

Franklin/Williamson Counties Regional Office of Education No. 21 did not receive any Federal insurance as part of any Federal award during the year ended June 30, 2010.

5. LOANS AND LOAN GUARANTEES

Franklin/Williamson Counties Regional Office of Education No. 21 had no loans or loan guarantees as of or for the year ended June 30, 2010.

6. NON-MONETARY FEDERAL AWARDS

Franklin/Williamson Counties Regional Office of Education No. 21 did not receive any non-monetary federal awards as of or for the year ended June 30, 2010.