

**State of Illinois
VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
FINANCIAL AUDIT
For the Year Ended June 30, 2009**

**Performed as Special Assistant Auditors
for the Office of the Auditor General**

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION #54
 TABLE OF CONTENTS
 FOR THE YEAR ENDED JUNE 30, 2009

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| Officials..... | 1 |
| Financial Report Summary | 2-3 |
| Financial Statement Report Summary | 4 |
| FINANCIAL SECTION | |
| Independent Auditor’s Report..... | 5–6 |
| Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 7–8 |
| Schedule of Findings and Questioned Costs | |
| Section I - Summary of Auditor’s Results | 9 |
| Section II - Financial Statement Findings | 10a–10b |
| Corrective Action Plan for Current Year Audit Findings | 11a–11b |
| Summary Schedule of Prior Audit Findings | 12 |
| Management’s Discussion and Analysis..... | 13a–13e |
| BASIC FINANCIAL STATEMENTS | |
| Government-wide Financial Statements | |
| Statement of Net Assets | 14 |
| Statement of Activities..... | 15 |
| Fund Financial Statements | |
| Balance Sheet - Governmental Funds | 16 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets | 17 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | 18 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities - Governmental Funds | 19 |
| Statement of Fiduciary Net Assets - Fiduciary Funds..... | 20 |
| Statement of Changes in Fiduciary Net Assets - Fiduciary Funds..... | 21 |
| Notes to the Financial Statements | 22–33 |

SUPPLEMENTARY INFORMATION

Combining Schedule of Accounts - Education Fund..... 34

Combining Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Education Fund Accounts 35

Budgetary Comparison Schedules
Education Fund Accounts
McKinney-Vento Homeless Children and Youth Program 36
Regional Safe Schools Program..... 37

Combining Balance Sheet
Nonmajor Special Revenue Funds..... 38

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Special Revenue Funds 39

Combining Statement of Fiduciary Net Assets - Agency Funds..... 40

Combining Statement of Changes in Assets and Liabilities -
Agency Funds..... 41

Schedule of Disbursements to School District Treasurers and
Other Entities - Distributive Fund 42-44

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54

OFFICIALS

Regional Superintendent
(Current and during the audit period)

Mr. Michael R. Metzen

Assistant Regional Superintendent
(Current and during the audit period)

Ms. Cheryl S. Reifsteck

Office is located at:

200 South College Street, Suite B
Danville, IL 61832

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54

FINANCIAL REPORT SUMMARY

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

AUDITOR'S REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

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

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

| <u>Item No.</u> | <u>Page</u> | <u>Description</u> | <u>Finding Type</u> |
|--|-------------|--|---------------------|
| FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>) | | | |
| 09-01 | 10a | Inadequate Internal Control Procedures | Material weakness |
| FINDINGS (FEDERAL COMPLIANCE) | | | |
| None | | | |
| PRIOR FINDINGS NOT REPEATED (<i>GOVERNMENT AUDITING STANDARDS</i>) | | | |
| None | | | |
| PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE) | | | |
| None | | | |

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on August 28, 2009. Attending were Michael R. Metzen, Regional Superintendent, and Tami Knight, Partner, Kemper CPA Group LLP. Responses to the recommendations were provided by Michael R. Metzen, Regional Superintendent.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Vermilion County Regional Office of Education #54 was performed by Kemper CPA Group LLP, Certified Public Accountants and Consultants.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #54's basic financial statements.



INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #54 as of and for the year ended June 30, 2009, which collectively comprise the Regional Office of Education #54's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office of Education #54's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #54, as of June 30, 2009, and the respective changes in financial position, 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 3, 2010, on our consideration of the Regional Office of Education #54'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 on pages 13a through 13e is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Office of Education #54's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Mattoon, Illinois

March 3, 2010



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, each major fund, and the aggregate remaining fund information of the Regional Office of Education #54 as of and for the year ended June 30, 2009, which collectively comprise the Regional Office of Education #54's basic financial statements and have issued our report thereon dated March 3, 2010. 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 Regional Office of Education #54's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Regional Office of Education #54's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Regional Office of Education #54's internal control over financial reporting.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in finding 09-01 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 Regional Office of Education #54's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain matters which we have reported to management of the Regional Office of Education #54 in a separate letter dated March 3, 2010.

Regional Office of Education #54'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 Regional Office of Education #54's response, and accordingly, we express no opinion on it.

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

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Mattoon, Illinois
March 3, 2010

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION #54
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2009

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? No
- Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? N/A
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? N/A

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 OMB Circular A-133, Section .510(a)? N/A

Identification of major programs:

| CFDA Number(s) | Name of Federal Program or Cluster |
|----------------|------------------------------------|
| N/A | |

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

Auditee qualified as a low-risk auditee? N/A

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 09-01 – Inadequate Internal Control Procedures

Criteria/Specific Requirement:

The Regional Superintendent of Schools is responsible for establishing and maintaining an internal control system over receipts, disbursements, and reporting to prevent errors and fraud.

Condition:

During the audit we noted the following weaknesses in the Regional Office of Education's internal control system:

- A. Due to inadequate segregation of duties, one person is responsible for receiving money, depositing funds, recording receipts in the general ledger, receiving unopened invoices and vendor statements, preparing disbursement checks, entering disbursements in the general ledger, receiving the unopened bank statement, and reconciling the bank statement.
- B. During our walk-through of the bank reconciliation process, we noted occasions when independent review of the bank reconciliation was not documented.
- C. There is no indication that there is an independent review of journal entries posted to the general ledger.
- D. Prior-year audit adjustments were not posted to the general ledger; therefore some current year opening fund balances were not correct.
- E. The Regional Office failed to record revenue in its accounting records and a liability to the Illinois State Board of Education for teachers' certification payments received prior to year end but not processed until after year end. In addition, the Regional Office failed to record a liability for grant funds obligated but not disbursed prior to year end.

Effect:

Lack of effective internal control procedures could result in unintentional or intentional errors or misappropriation of assets that could be material to the financial statements and that may not be detected in a timely manner by employees in the normal course of performing their assigned duties.

Cause:

The Regional Office has not established sufficient internal control procedures. In addition, the Regional Office was not aware of the proper reporting of teachers' certification payments and grant obligations at year end.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 09-01 – Inadequate Internal Control Procedures (Concluded)

Recommendation:

- A. The Regional Office should segregate duties so that no one individual has access to all steps of an accounting process.
- B. An individual independent of the check preparation process should receive the bank statement unopened and review the statement and canceled checks for any inappropriate items prior to forwarding the statement to the bookkeeper to prepare the reconciliation. The completed bank reconciliation should be reviewed by an individual independent of the disbursement and reconciliation process to ensure that the reconciliation is completed timely and that the reconciled balance agrees to the general ledger balance.
- C. An individual independent of the initiation and posting of journal entries should review journal entries and supporting documentation to ensure that entries are appropriate and agree with supporting documentation.
- D. After closing the prior year's financial statements, the opening fund balances for the current year should be compared to the ending balances on the prior year's financial statements. Any discrepancies should be reviewed and resolved.
- E. The Regional Office should report cash received but not processed at year end as revenue. Any of those amounts owed to another entity should also be recorded as a liability. Any grant funds obligated at the end of the year should also be recorded as a liability.

Management's Response:

The Regional Superintendent agrees with this finding.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
JUNE 30, 2009

CORRECTIVE ACTION PLAN

Finding No. 09-01 - Inadequate Internal Control Procedures

Condition:

During the audit we noted the following weaknesses in the Regional Office of Education's internal control system:

- A. Due to inadequate segregation of duties, one person is responsible for receiving money, depositing funds, recording receipts in the general ledger, receiving unopened invoices and vendor statements, preparing disbursement checks, entering disbursements in the general ledger, receiving the unopened bank statement, and reconciling the bank statement.
- B. During our walk-through of the bank reconciliation process, we noted occasions when independent review of the bank reconciliation was not documented.
- C. There is no indication that there is an independent review of journal entries posted to the general ledger.
- D. Prior-year audit adjustments were not posted to the general ledger; therefore some current year opening fund balances were not correct.
- E. The Regional Office failed to record revenue in its accounting records and a liability to the Illinois State Board of Education for teachers' certification payments received prior to year end but not processed until after year end. In addition, the Regional Office failed to record a liability for grant funds obligated but not disbursed prior to year end.

Plan:

- A. The Regional Office will segregate duties so that no one individual has access to all steps of an accounting process.
- B. An individual independent of the check preparation process will receive the bank statement unopened and review the statement and canceled checks for any inappropriate items prior to forwarding the statement to the bookkeeper to prepare the reconciliation. The completed bank reconciliation will be reviewed by an individual independent of the disbursement and reconciliation process to ensure that the reconciliation is completed timely and that the reconciled balance agrees to the general ledger balance.
- C. An individual independent of the initiation and posting of journal entries will review journal entries and supporting documentation to ensure that entries are appropriate and agree with supporting documentation.
- D. After closing the prior year's financial statements, the opening fund balances for the current year will be compared to the ending balances on the prior year's financial statements. Any discrepancies will be reviewed and resolved.
- E. The Regional Office will report cash received but not processed at year end as revenue. Any of those amounts owed to another entity will also be recorded as a liability. Any grant funds obligated at the end of the year will also be recorded as a liability.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
JUNE 30, 2009

Finding No. 09-01 - Inadequate Internal Control Procedures (Concluded)

Anticipated Date of Completion:

Immediately upon learning of oversight.

Name of Contact Person:

Mr. Michael R. Metzen, Regional Superintendent

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2009

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

| <u>Finding Number</u> | <u>Condition</u> | <u>Current Status</u> |
|-----------------------|------------------|-----------------------|
|-----------------------|------------------|-----------------------|

| | | |
|------|--|--|
| None | | |
|------|--|--|

MANAGEMENT'S DISCUSSION AND ANALYSIS

**VERMILLION COUNTY
REGIONAL OFFICE OF EDUCATION #54
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

I. USING THIS REPORT

These financial statements and accompanying statement are presented in a format consistent with the presentation requirements of GASB Statements No. 34, Basic Financial Statement and Management's Discussion and Analysis for State and Local governments.

II. REPORT COMPONENTS

These financial statements and their accompanying information consist of several parts as follows:

1. Independent Auditor's Report
2. Basic financial statements including governmental-wide and fund financial statements
3. Supplemental information including the Management's Discussion and Analysis

III. BASIS OF ACCOUNTING

The accounting for the Regional Office of Education #54 (Regional Office) is organized on the basis of fund accounting.

Revenues and expenses on the governmental-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when cash is received or paid. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Revenues and expenditures on the governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The Regional Office has not adopted a formal budgetary accounting system for its various funds. There is a formal budget and accounting for expenses relating to the operation and maintenance of the Office operations as they relate to the funding and control of the Vermilion County General Fund and the County Board.

Capital assets for the Regional Office have been capitalized at a \$1,000 entry level. In an effort to standardize the accounting for capital assets the Regional Office has adopted this level. Capital assets are capitalized and reported by Vermilion County for office operations and maintenance of the Regional Office at a level of \$500; thus, the reporting by the County may differ from the Regional Office. At June 30, 2009 the Regional Office of Education #54 had an investment in capital assets of \$4,222 which is the original cost of the assets less the accumulated depreciation.

**VERMILLION COUNTY
REGIONAL OFFICE OF EDUCATION #54
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

IV. OTHER SIGNIFICANT POLICIES

State regulations have strict requirements regarding the deposits and usage of funds that are deposited with the Regional Office. All funds have been deposited and expended in compliance with those regulations.

Because the Regional Office operates mainly on a "pass-through" basis, there is no control over the amount of funds that come through the Regional Office to be disbursed. Further, there is no significant information that could be shown that would reflect changes in the funding that are under the control of the Regional Office.

All expenditures that are made by the Regional Office are made in compliance with the purposes as set forth by the funding bodies.

All expenditures made through the General Fund of Vermillion County are examined prior to disbursement by the Vermillion County Auditor and approved according to their policies for such expenses. All other records of the Regional Office are open to the examination by the Vermillion County Auditor, to the extent allowed by laws regulating such.

V. FINANCIAL HIGHLIGHTS

This report consists of a series of financial statements and notes to those statements. The statements are organized to assist the reader in understanding the Vermillion County Regional Office of Education #54 as an entire operating entity. The statements go further to provide a detailed look at specific financial activities. The governmental-wide statements, which are the Statement of Net Assets and the Statement of Activities, provide information about the activities of the whole Regional Office.

The fund financial statements provide the next level of activity. For governmental type funds, the statements tell how services were financed on a short-term basis, as well as what balances remain for future spending. The major funds of the Regional Office are also looked at on an individual basis, with non-major funds being combined and presented as a total in one column. In the Regional Office, the Direct Services Fund is by far the most significant.

The financial statements also reflect two types of funds. The governmental funds used by the Regional Office are actually special revenue funds used to account for revenue from specific sources. The Regional Office operates several of these special revenue funds under the blanket of the governmental funds. Most of the Regional Office's programs and services are accounted for in the governmental funds. These include institute services, direct services, education services and various other services and activities.

Fiduciary funds are accounts that are used solely to account for assets held by the Regional Office as a trustee or an agent for other governmental agencies. Overall, the fiduciary fund is custodial in nature and thus does not involve measurement of results of its operation.

**VERMILLION COUNTY
REGIONAL OFFICE OF EDUCATION #54
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

V. FINANCIAL HIGHLIGHTS (Continued)

The following table provides a summary of the Regional Office's net assets for the fiscal years June 30, 2009 and 2008.

**CONDENSED STATEMENT OF NET ASSETS
GOVERNMENTAL ACTIVITIES**

| | 2009 | 2008 | Increase / (Decrease) |
|--|------------|------------|--------------------------|
| CURRENT ASSETS | | | |
| Cash | \$ 146,059 | \$ 185,524 | (39,465) |
| Investments | 68,664 | 7,000 | 61,664 |
| Interest receivable | - | 48 | (48) |
| Total Current Assets | 214,723 | 192,572 | 22,151 |
| NONCURRENT ASSETS | | | |
| Capital assets, net of depreciation | 4,222 | 1,004 | 3,218 |
| Total Assets | 218,945 | 193,576 | 25,369 |
| CURRENT LIABILITIES | | | |
| Accounts payable | 12,185 | 216 | 11,969 |
| Due to other governments | 68,664 | | |
| Deferred revenue | 15 | 75,987 | (75,972) |
| Total Liabilities | 80,864 | 76,203 | 4,661 |
| NET ASSETS | | | |
| Invested in capital assets | 4,222 | 1,004 | 3,218 |
| Unrestricted | 86,430 | 107,007 | (20,577) |
| Restricted for teacher professional development | 47,429 | 9,362 | 38,067 |
| Total Net Assets | \$ 138,081 | \$ 117,373 | 20,708 |

**VERMILLION COUNTY
REGIONAL OFFICE OF EDUCATION #54
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

V. FINANCIAL HIGHLIGHTS (Continued)

The following table shows the changes in net assets for the fiscal years ended June 30, 2009 and 2008:

| | 2009 | 2008 | Increase / (Decrease) |
|------------------------------------|-------------------|-------------------|--------------------------|
| REVENUES | | | |
| Program Revenues | | | |
| Operating grants and contributions | \$ 307,994 | \$ 302,117 | 5,877 |
| General Revenues | | | |
| Local sources | 206,880 | 54,932 | 151,948 |
| On-behalf payments | 286,202 | 307,931 | (21,729) |
| Interest | 5,943 | 1,456 | 4,487 |
| Total Revenue | 807,019 | 666,436 | 140,583 |
| EXPENSES | | | |
| Instructional services | | | |
| Purchased services | 176,057 | 61,147 | 114,910 |
| Supplies and materials | 15,191 | 9,735 | 5,456 |
| Other objects | 3,042 | 1,962 | 1,080 |
| Payments to other governments | 295,254 | 307,722 | (12,468) |
| Depreciation | 272 | 251 | 21 |
| Administrative | | | |
| On-behalf payments | 286,202 | 307,931 | (21,729) |
| Total Expenses | 776,018 | 688,748 | 87,270 |
| Deficiency before transfers | 31,001 | (22,312) | 53,313 |
| Transfers | - | 17,231 | (17,231) |
| Change in Net Assets | 31,001 | (5,081) | 36,082 |
| Net Assets - Beginning, Restated | 107,080 | 122,454 | (15,374) |
| Net Assets - Ending | \$ 138,081 | \$ 117,373 | 20,708 |

**VERMILLION COUNTY
REGIONAL OFFICE OF EDUCATION #54
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

V. FINANCIAL HIGHLIGHTS (Concluded)

Key financial highlights for fiscal year ended June 30, 2009 are as follows:

Net assets of governmental activities increased \$20,708, representing an 18% increase from fiscal year 2008. Expenses increased 13%. These increases were due to increased General State Aid payments which are flow through funds to other LEA's.

The two major expenditures for the governmental funds are on-behalf payments, representing 37% of total expenditures and payments to other governments, or flow-through expenditures, representing 38%. Other expenditures are purchased services representing 23%, and supplies and materials and other expenditures representing 2%.

The two major funding sources for the governmental funds are on-behalf payments from Vermillion County and the State of Illinois representing 35%, and State and federal revenues representing 38%, other sources are local (26%) and interest (1%).

Overall revenues have increased 21% and expenditures increased 13%.

There was no single significant change that accounts for the majority of the increase in fund balance. Most special revenue funds show a slight increase in revenue (grant, interest, participation fees and a larger number of certificate holder registrations for fiscal year 2009) and a decrease in expenses (more service, increased cost of services, greater need of services). This trend is consistent with recent years. The increase in revenue and expenses is reflective of an increase in flow through funds from the State to the school districts and associations in the county.

In conclusion, the Regional Office continues to rely on State and federal funds for delivering the majority of its services. The flow-through accounts provide revenues to provide services to schools, teachers and administration that they might not otherwise have access to at the local level. The Regional Office needs to continue to pursue cooperative efforts with other LEA's to maximize the programmatic impact with funds available. While this fiscal report is indicative of the current trend, the overall operation of the Regional Office is not greatly affected by decreases at this time.

This financial report is designed to provide the users with a general overview of the finance on the Vermillion County Regional Office of Education #54. It further serves to demonstrate the Regional Office's accountability for the money it receives and expends. If you have questions about this or need additional financial information, contact the Vermillion County Regional Office of Education #54 at 200 S. College Street, Suite B, Danville, IL 61832.

BASIC FINANCIAL STATEMENTS

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
STATEMENT OF NET ASSETS
JUNE 30, 2009

| | Governmental Activities |
|---|----------------------------|
| Assets | |
| Current assets: | |
| Cash and cash equivalents | \$ 146,059 |
| Due from other governments - state | 68,664 |
| Total current assets | 214,723 |
| Noncurrent assets: | |
| Capital assets, net of depreciation | 4,222 |
| Total noncurrent assets | 4,222 |
| Total assets | 218,945 |
| Liabilities | |
| Current liabilities: | |
| Accounts payable | 12,185 |
| Due to other governments - local | 68,664 |
| Deferred revenue | 15 |
| Total liabilities | 80,864 |
| Net assets | |
| Invested in capital assets | 4,222 |
| Restricted for teacher professional development | 47,429 |
| Unrestricted | 86,430 |
| Total net assets | \$ 138,081 |

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

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues Operating Grants and Contributions | Net (Expense) Revenue and Changes in Net Assets Governmental Activities |
|--------------------------------------|-------------------|---|--|
| Governmental activities: | | | |
| Instructional services: | | | |
| Purchased services | \$ 176,057 | \$ 6,375 | \$ (169,682) |
| Supplies and materials | 15,191 | 2,875 | (12,316) |
| Other objects | 3,042 | - | (3,042) |
| Payments to other governments | 295,254 | 295,254 | - |
| Capital outlay | - | 3,490 | 3,490 |
| Depreciation | 272 | - | (272) |
| Administrative: | | | |
| On-behalf payments - local | 76,638 | - | (76,638) |
| On-behalf payments - state | 209,564 | - | (209,564) |
| Total governmental activities | \$ 776,018 | \$ 307,994 | (468,024) |
| | | | |
| General revenues | | | |
| | | | 206,880 |
| | | | 76,638 |
| | | | 209,564 |
| | | | 5,943 |
| | | | 499,025 |
| | | | 31,001 |
| | | | 107,080 |
| | | | \$ 138,081 |
| | | | \$ 138,081 |

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

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

| | Direct Services Fund | Institute Fund | General Education Development Fund | Education Fund | Other Nonmajor Funds | Total Governmental Funds |
|--|----------------------------|-------------------|---|-------------------|----------------------------|--------------------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 61,027 | \$ 47,939 | \$ 17,922 | \$ 11,690 | \$ 7,481 | \$ 146,059 |
| Due from other governments - state | - | - | - | 68,664 | - | 68,664 |
| Total assets | \$ 61,027 | \$ 47,939 | \$ 17,922 | \$ 80,354 | \$ 7,481 | \$ 214,723 |
| Liabilities | | | | | | |
| Accounts payable | \$ - | \$ 510 | \$ - | \$ 11,675 | \$ - | \$ 12,185 |
| Due to other governments - local | - | - | - | 68,664 | - | 68,664 |
| Deferred revenue | - | - | - | 15 | - | 15 |
| Total liabilities | - | 510 | - | 80,354 | - | 80,864 |
| Fund balances | | | | | | |
| Fund balances, unreserved | 61,027 | 47,429 | 17,922 | - | 7,481 | 133,859 |
| Total fund balances | 61,027 | 47,429 | 17,922 | - | 7,481 | 133,859 |
| Total liabilities and fund balances | \$ 61,027 | \$ 47,939 | \$ 17,922 | \$ 80,354 | \$ 7,481 | \$ 214,723 |

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

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2009

Total fund balances - governmental funds \$ 133,859

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

Capital assets used in governmental activities are not
financial resources and therefore are not reported in the funds. 4,222

Net assets of governmental activities \$ 138,081

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

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

| | Direct Services Fund | Institute Fund | General Education Development Fund | Education Fund | Other Nonmajor Funds | Total Governmental Funds |
|--|----------------------------|-------------------|---|-------------------|----------------------------|--------------------------------|
| Revenues | | | | | | |
| Local sources | \$ 143,754 | \$ 45,740 | \$ 14,238 | \$ - | \$ 3,148 | \$ 206,880 |
| State sources | - | - | - | 239,870 | - | 239,870 |
| Federal sources | - | - | - | 68,124 | - | 68,124 |
| On-behalf payments - local | 76,638 | - | - | - | - | 76,638 |
| On-behalf payments - state | 209,564 | - | - | - | - | 209,564 |
| Total revenues | 429,956 | 45,740 | 14,238 | 307,994 | 3,148 | 801,076 |
| Expenditures | | | | | | |
| Instructional services | | | | | | |
| Purchased services | 149,903 | 7,561 | 7,673 | 8,165 | 2,755 | 176,057 |
| Supplies and materials | 5,935 | 189 | 6,167 | 2,875 | 25 | 15,191 |
| Other objects | 2,908 | 134 | - | - | - | 3,042 |
| Payments to other governments | - | - | - | 295,254 | - | 295,254 |
| On-behalf payments - local | 76,638 | - | - | - | - | 76,638 |
| On-behalf payments - state | 209,564 | - | - | - | - | 209,564 |
| Capital outlay | - | - | 1,790 | 1,700 | - | 3,490 |
| Total expenditures | 444,948 | 7,884 | 15,630 | 307,994 | 2,780 | 779,236 |
| Excess (deficiency) of revenues over (under) expenditures | (14,992) | 37,856 | (1,392) | - | 368 | 21,840 |
| Other financing sources | | | | | | |
| Interest | 5,695 | 211 | 12 | - | 25 | 5,943 |
| Total other financing sources | 5,695 | 211 | 12 | - | 25 | 5,943 |
| Net change in fund balances | (9,297) | 38,067 | (1,380) | - | 393 | 27,783 |
| Fund balances - beginning of year, restated | 70,324 | 9,362 | 19,302 | - | 7,088 | 106,076 |
| Fund balances - end of year | \$ 61,027 | \$ 47,429 | \$ 17,922 | \$ - | \$ 7,481 | \$ 133,859 |

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

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION #54
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

Net change in fund balances \$ 27,783

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 | \$ 3,490 | |
| Depreciation expense | <u>(272)</u> | <u>3,218</u> |

Change in net assets of governmental activities \$ 31,001

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

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION #54
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2009

| | Private-Purpose Trust Fund | |
|----------------------------|-------------------------------|--------------|
| | DAAP | Agency Funds |
| Assets | | |
| Cash and cash equivalents | \$ 15,531 | \$ 10,224 |
| Due from other governments | - | 7,264,015 |
| Total assets | 15,531 | \$ 7,274,239 |
| Liabilities | | |
| Accounts payable | 768 | \$ - |
| Due to other governments | - | 7,274,239 |
| Total liabilities | 768 | \$ 7,274,239 |
| Net assets | | |
| Held in trust | \$ 14,763 | |

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

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

| | Private-Purpose Trust Fund |
|--------------------------------|-------------------------------|
| | DAAP |
| Additions | |
| Local sources | \$ 34,119 |
| Interest | 6 |
| Total additions | 34,125 |
| Deductions | |
| Salaries | 17,500 |
| Purchased services | 10,230 |
| Supplies and materials | 537 |
| Total deductions | 28,267 |
| Change in net assets | 5,858 |
| Net assets - beginning of year | 8,905 |
| Net assets - end of year | \$ 14,763 |

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

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #54 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2009, the Regional Office of Education #54 implemented Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*; GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The Regional Office of Education #54 implemented these standards during the current year; however, GASB No. 49, 52, 55, and 56 had no impact on the financial statements.

A. FINANCIAL REPORTING ENTITY

The Regional Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to state-controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; serving as the official advisor and assistant of school officers and teachers; conducting teachers institutes as well as aiding and encouraging the formation of other teachers' meetings and assisting in their management; evaluating the schools in the region; examining school treasurers' books, accounts, and vouchers; examining evidence of indebtedness; filing and keeping the returns of elections required to be returned to the Regional Superintendent's office; and filing and keeping the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #54's districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with state law; performing and reporting on annual building inspections; investigating bus drivers for valid bus driver permits and taking related action as may be required; maintaining a list of unfilled teaching positions; and carrying out other related duties required or permitted by law.

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

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. FINANCIAL REPORTING ENTITY (Concluded)

The Regional Superintendent is also responsible for apportionment and payment of funds received from the state for the districts in the region, or seeing that no payments are made unless the treasurer has filed or renewed 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, 2009, the Regional Office of Education #54 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 #54. Such activities are reported as a single special revenue fund (Education Fund).

B. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #54 reporting entity includes all related organizations for which the Regional Office of Education #54 exercises oversight responsibility.

The Regional Office of Education #54 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education #54 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #54 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #54 is not aware of any entity that would exercise such oversight as to result in the Regional Office of Education #54 being considered a component unit of the entity.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #54's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by state and federal grants and other intergovernmental revenues. The Regional Office of Education #54 has no business-type activity that relies on fees and charges for support.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Concluded)

The Regional Office of Education #54's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present a summary of governmental activities for the Regional Office of Education #54. These statements are presented on an "economic resources" measurement as prescribed by GASB Statement No. 34. All of the Regional Office of Education #54's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges for services, and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as payables, receivables, and transfers. Interfund activities between governmental funds appear as due to/due from other funds on the Governmental Fund Balance Sheet and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. All internal balances in the Statement of Net Assets have been eliminated.

D. GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

In applying the "susceptible to accrual" concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on a specific purpose or project before any amounts will be paid to the Regional Office of Education #54; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

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

Under the provision of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Regional Office of Education #54 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 Procedures.

Under the terms of grant agreements, Regional Office of Education #54 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is Regional Office of Education #54's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. FUND ACCOUNTING

The Regional Office of Education #54 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education #54 uses governmental and fiduciary funds.

GOVERNMENTAL FUNDS

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

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: (1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and (2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education #54 has presented all major funds that met the above qualifications.

The Regional Office of Education #54 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of Vermilion County Regional Office of Education #54. It is used to account for the expenditures, which benefit all school districts in the region except those required to be accounted for in other funds. General funds include the following:

Direct Services Fund - The Direct Services Fund is used for various programs that benefit the school districts or the regional office, such as the computer consortium and technology hub. Interest from the Distributive Fund is transferred to this fund.

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

Institute Fund - This fund accounts for teacher certificate registrations, issuance and evaluation fees for processing certificates, and expenses for meetings of a professional nature. All funds generated remain restricted until expended only on the aforementioned activities.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. FUND ACCOUNTING (Continued)

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

Education Fund - This fund is used to account for various grants supporting education enhancement programs as follows:

McKinney-Vento Homeless Children and Youth Program - This program accounts for the proceeds from the federal statewide grant under McKinney-Vento Homeless Children and Youth Program. This program is designed to assist in implementing homeless services. The program will collaborate with all schools within the district concerning the identification of homeless youth and work with the districts to provide local and state resources to those students.

Regional Safe Schools Program - The program accounts for the Regional Safe Schools grant monies. The program concentrates on the education of students who have been expelled from the school districts served by the Regional Office of Education #54. In addition, this program includes general state aid and State and federal lunch and breakfast programs.

The Regional Office of Education #54 reports the following nonmajor governmental funds:

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

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

Supervisory Fund – This fund accounts for State receipts provided to the Regional Office of Education to pay expenses as approved by the Regional Superintendent.

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the Regional Office of Education #54 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. FUND ACCOUNTING (Concluded)

Agency Funds - Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds include the following:

Distributive Fund - This fund distributes monies received from the state out to the school districts and other entities.

Board of School Trustees - Fund that accounts for the Regional Office of Education #54's operating accounts.

Private-Purpose Trust Fund - This fund is used to account for the resources held by the Regional Office of Education #54 as a trustee for Vermilion County's Drug and Alcohol Abuse Prevention Program (DAAPP).

Interest on Distributive Fund - The Regional Office of Education #54 has agreements with all districts in the region whereby the Regional Office of Education #54 is allowed to keep the interest on the Distributive Fund for expenditures benefiting all districts.

G. NET ASSETS

Net assets present the difference between assets and liabilities in the Statement of Net Assets. Net assets are displayed in three components:

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

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

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

H. CASH AND INVESTMENTS

Cash consists of cash on deposit. The Regional Office of Education #54 considers certificates of deposit with an original maturity date greater than 90 days to be investments.

I. INVENTORY

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

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$1,000 or more and estimated useful lives of greater than two years are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| | |
|--------------------|-----------|
| Office equipment | 5-7 years |
| Computer equipment | 3 years |

The majority of capital assets used by the Regional Office of Education #54 have been purchased by Vermilion County. These capital assets are the property of Vermilion County and are included in Vermilion County's financial statements.

K. COMPENSATED ABSENCES AND PENSION AND RETIREMENT COMMITMENTS

These financial statements relate information pertaining to the funds administered by the Regional Superintendent. All personnel of the Regional Office of Education #54 receive their salaries from other sources. The Superintendent and Assistant Superintendent receive their salaries directly from the Illinois State Board of Education. The other personnel are employees of Vermilion County. There are no compensated absence, pension, or retirement obligations to disclose. Employment- and post-employment-related obligations for the Superintendent and Assistant Superintendent are disclosed in the financial statements of the Illinois State Board of Education. Employment- and post-employment-related obligations for other employees are included in the Vermilion County annual financial report.

L. ESTIMATES

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

M. CHANGE IN FUND REPORTING

Effective July 1, 2008, the Board of School Trustees fund was reclassified from a governmental special revenue fund to an agency fund. The effect of this reclassification was as follows:

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION #54
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

M. CHANGE IN FUND REPORTING (Concluded)

| | Other Nonmajor Funds | Governmental Net Assets |
|--|----------------------------|----------------------------|
| | <u> </u> | <u> </u> |
| Fund balance at July 1, 2008 | \$ 17,381 | \$ 117,373 |
| Reclassification adjustments | <u>(10,293)</u> | <u>(10,293)</u> |
| Fund balance, restated at July 1, 2008 | <u>\$ 7,088</u> | <u>\$ 107,080</u> |

N. BUDGET INFORMATION

The Regional Office of Education #54 acts as the administrative agent for certain grant programs that are accounted for in the Direct Services and Education Funds. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted, nor are they required to be. The General Fund and certain programs within the special revenue funds do not have separate budgets. Budgetary comparison schedules of budgeted and actual amounts have been presented as supplementary information for the following programs: McKinney-Vento Homeless Children and Youth Program and the Regional Safe Schools Program.

NOTE 2 - CASH

The Regional Office of Education #54 does not have a formal investment policy. The Regional Office of Education #54 is allowed to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

A. DEPOSITS

At June 30, 2009, the carrying amount of the Regional Office of Education #54's government-wide and agency fund deposits were \$146,059 and \$25,755, respectively, and the bank balances were \$148,602 and \$1,423,232, respectively. The Regional Office of Education #54's deposits include a \$7,000 certificate of deposit that is reported in the basic financial statements under the caption "Cash and cash equivalents." Of the total bank balances as of June 30, 2009, \$289,548 was secured by federal depository insurance, and \$294,246 was collateralized by securities pledged by the Regional Office of Education #54's financial institutions on behalf of the Regional Office.

B. INVESTMENTS

The Regional Office of Education #54 does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2009, the Regional Office of Education #54 had investments with carrying value of \$988,040 in the Illinois Funds Money Market Fund.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 2 - CASH (Concluded)

CREDIT RISK

At June 30, 2009, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

INTEREST RATE RISK

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

CONCENTRATION OF CREDIT RISK

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

NOTE 3 - CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #54 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental fund statements. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2009:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|----------------------|-----------------|-------------|-------------------|
| <u>Governmental activities:</u> | | | | |
| Capital assets being depreciated: | | | | |
| Office equipment | \$ 1,255 | \$ 3,490 | \$ - | \$ 4,745 |
| Total capital assets being depreciated | 1,255 | 3,490 | - | 4,745 |
| Less accumulated depreciation for: | | | | |
| Office equipment | (251) | (272) | - | (523) |
| Total accumulated depreciation | (251) | (272) | - | (523) |
| Governmental activities capital assets, net | <u>\$ 1,004</u> | <u>\$ 3,218</u> | <u>\$ -</u> | <u>\$ 4,222</u> |

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION #54
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 3 - CAPITAL ASSETS (Concluded)

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2009, of \$272 was charged to governmental activities on the government-wide Statement of Activities. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

NOTE 4 - INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

As of June 30, 2009, there were no interfund balances due to/from other funds in the governmental fund balance sheet.

NOTE 5 - DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #54's Education Funds and Agency Funds have funds due from/to various other governmental units which consist of the following:

Due from other governments:

| | |
|-----------------------------------|---------------------|
| Fiduciary Funds | |
| Illinois State Board of Education | \$ 7,264,015 |
| Education Fund | |
| Illinois State Board of Education | <u>68,664</u> |
| Total | <u>\$ 7,332,679</u> |

Due to other governments:

| | |
|--------------------------|---------------------|
| Fiduciary Funds | |
| Board of School Trustees | \$ 10,272 |
| Local school districts | 7,263,967 |
| Education Fund | |
| Local school districts | <u>68,664</u> |
| Total | <u>\$ 7,342,903</u> |

NOTE 6 - RISK MANAGEMENT

The Regional Office of Education #54 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education #54 is covered by commercial insurance purchased by Vermilion County to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION #54
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 7 - ON-BEHALF PAYMENTS

Vermilion County provides the Regional Office of Education #54 with staff and pays certain expenditures on behalf of the Regional Office of Education #54. The expenditures paid by Vermilion County for the year ended June 30, 2009, were as follows:

| | |
|------------------------------|-----------|
| Office salaries and benefits | \$ 61,222 |
| Travel | 5,953 |
| Supplies | 3,495 |
| Other expenses | 5,968 |
| | \$ 76,638 |

These amounts have been recorded in the accompanying financial statements as local revenue and expenditures.

The State of Illinois paid the following salaries on behalf of the Regional Office of Education #54:

| | |
|--|------------|
| Regional Superintendent | |
| Salary | \$ 96,435 |
| Benefits (includes state-paid insurance) | 11,439 |
| Assistant Regional Superintendent | |
| Salary | 86,791 |
| Benefits (includes state-paid insurance) | 14,899 |
| | \$ 209,564 |

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent were calculated based on data provided by the Illinois State Board of Education.

These amounts have been recorded in the accompanying financial statements as state revenue and expenditures.

NOTE 8 – SUBSEQUENT EVENT

Management has evaluated subsequent events through March 3, 2010, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2009

| | McKinney-Vento Homeless Children & Youth | Regional Safe Schools | Total |
|--|--|--------------------------|------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 11,690 | \$ - | \$ 11,690 |
| Due from other governments - state | - | 68,664 | 68,664 |
| Total assets | \$ 11,690 | \$ 68,664 | \$ 80,354 |
| Liabilities | | | |
| Accounts payable | \$ 11,675 | \$ - | \$ 11,675 |
| Due to other governments - local | - | 68,664 | 68,664 |
| Deferred revenue | 15 | - | 15 |
| Total liabilities | 11,690 | 68,664 | 80,354 |
| Fund balance | | | |
| Unreserved | - | - | - |
| Total fund balances | - | - | - |
| Total liabilities and fund balances | \$ 11,690 | \$ 68,664 | \$ 80,354 |

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2009

| | McKinney-Vento Homeless Children & Youth | Regional Safe Schools | Total |
|--|--|--------------------------|----------------|
| Revenues | | | |
| State sources | \$ - | \$ 239,870 | \$ 239,870 |
| Federal sources | 12,740 | 55,384 | 68,124 |
| Total revenues | <u>12,740</u> | <u>295,254</u> | <u>307,994</u> |
| Expenditures | | | |
| Purchased services | 8,165 | - | 8,165 |
| Supplies and materials | 2,875 | - | 2,875 |
| Capital outlay | 1,700 | - | 1,700 |
| Payments to other governments | - | 295,254 | 295,254 |
| Total expenditures | <u>12,740</u> | <u>295,254</u> | <u>307,994</u> |
| Excess (Deficiency) of revenues over expenditures | - | - | - |
| Fund balance - beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
MCKINNEY-VENTO HOMELESS CHILDREN AND YOUTH PROGRAM
FOR THE YEAR ENDED JUNE 30, 2009

| | Budgeted Amounts | | Actual Amounts |
|--|------------------|---------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Federal sources | \$ 12,729 | \$ 12,729 | \$ 12,740 |
| Total revenues | <u>12,729</u> | <u>12,729</u> | <u>12,740</u> |
| Expenditures | | | |
| Salaries | 3,182 | 3,182 | - |
| Employee benefits | 720 | - | - |
| Purchased services | 7,618 | 5,650 | 8,165 |
| Supplies and materials | 1,209 | 3,897 | 2,875 |
| Capital outlay | - | - | 1,700 |
| Total expenditures | <u>12,729</u> | <u>12,729</u> | <u>12,740</u> |
| Excess (Deficiency) of revenues over expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> |
| Fund balance - beginning | | | <u>-</u> |
| Fund balance - ending | | | <u>\$ -</u> |

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS PROGRAM
FOR THE YEAR ENDED JUNE 30, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> |
|--|-------------------------|----------------|----------------|
| | <u>Original</u> | <u>Final</u> | <u>Amounts</u> |
| Revenues | | | |
| State sources | \$ 144,009 | \$ 145,091 | \$ 239,870 |
| Federal sources | - | - | 55,384 |
| | <u>144,009</u> | <u>145,091</u> | <u>295,254</u> |
| Expenditures | | | |
| Payments to other governments | <u>144,009</u> | <u>145,091</u> | <u>295,254</u> |
| | <u>144,009</u> | <u>145,091</u> | <u>295,254</u> |
| Excess (Deficiency) of revenues over expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> |
| Fund balance - beginning | | | <u>-</u> |
| Fund balance - ending | | | <u>\$ -</u> |

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION #54
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2009

| <u>SPECIAL REVENUE FUNDS</u> | | | |
|--|------------------------|-------------|----------|
| | Bus Driver Training | Supervisory | Total |
| Assets | | | |
| Cash and cash equivalents | \$ 3,090 | \$ 4,391 | \$ 7,481 |
| Total assets | \$ 3,090 | \$ 4,391 | \$ 7,481 |
| Fund balances | | | |
| Unreserved | \$ 3,090 | \$ 4,391 | \$ 7,481 |
| Total fund balances | 3,090 | 4,391 | 7,481 |
| Total liabilities and fund balances | \$ 3,090 | \$ 4,391 | \$ 7,481 |

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION #54
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

| | <u>SPECIAL REVENUE FUNDS</u> | | |
|--|------------------------------|-------------|----------|
| | Bus Driver Training | Supervisory | Total |
| Revenues | | | |
| Local sources | \$ 2,148 | \$ 1,000 | \$ 3,148 |
| Total revenues | 2,148 | 1,000 | 3,148 |
| Expenditures | | | |
| Purchased services | 2,171 | 584 | 2,755 |
| Supplies and materials | - | 25 | 25 |
| Total expenditures | 2,171 | 609 | 2,780 |
| Excess (Deficiency) of revenues over expenditures | (23) | 391 | 368 |
| Other financing sources | | | |
| Interest | - | 25 | 25 |
| Total other financing sources | - | 25 | 25 |
| Net change in fund balances | (23) | 416 | 393 |
| Fund balance - beginning | 3,113 | 3,975 | 7,088 |
| Fund balance - ending | \$ 3,090 | \$ 4,391 | \$ 7,481 |

VERMILION COUNTY
 REGIONAL OFFICE OF EDUCATION #54
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2009

| | Distributive Fund | Board of School Trustees | Totals |
|----------------------------|----------------------|--------------------------------|--------------------|
| Assets | | | |
| Cash and cash equivalents | \$ - | \$ 10,224 | \$ 10,224 |
| Due from other governments | 7,263,967 | 48 | 7,264,015 |
| Total assets | <u>\$7,263,967</u> | <u>\$ 10,272</u> | <u>\$7,274,239</u> |
| Liabilities | | | |
| Due to other governments | \$7,263,967 | \$ 10,272 | \$7,274,239 |
| Total liabilities | <u>\$7,263,967</u> | <u>\$ 10,272</u> | <u>\$7,274,239</u> |

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

| | Balance Beginning of Year | Additions | Deductions | Balance End of Year |
|---|---------------------------------|----------------------|----------------------|---------------------------|
| <u>DISTRIBUTIVE</u> | | | | |
| Assets | | | | |
| Due from other governments | \$ 881,508 | \$ 83,993,690 | \$ 77,611,231 | \$ 7,263,967 |
| Total assets | <u>\$ 881,508</u> | <u>\$ 83,993,690</u> | <u>\$ 77,611,231</u> | <u>\$ 7,263,967</u> |
| Liabilities | | | | |
| Due to other governments | \$ 881,508 | \$ 83,993,690 | \$ 77,611,231 | \$ 7,263,967 |
| Total liabilities | <u>\$ 881,508</u> | <u>\$ 83,993,690</u> | <u>\$ 77,611,231</u> | <u>\$ 7,263,967</u> |
| <u>BOARD OF SCHOOL TRUSTEES</u> | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 10,245 | \$ 60 | \$ 81 | \$ 10,224 |
| Due from other governments | 48 | - | - | 48 |
| Total assets | <u>\$ 10,293</u> | <u>\$ 60</u> | <u>\$ 81</u> | <u>\$ 10,272</u> |
| Liabilities | | | | |
| Due to other governments | \$ 10,293 | \$ 60 | \$ 81 | \$ 10,272 |
| Total liabilities | <u>\$ 10,293</u> | <u>\$ 60</u> | <u>\$ 81</u> | <u>\$ 10,272</u> |
| <u>TOTALS - ALL AGENCY FUNDS</u> | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 10,245 | \$ 60 | \$ 81 | \$ 10,224 |
| Due from other governments | 881,556 | 83,993,690 | 77,611,231 | 7,264,015 |
| Total assets | <u>\$ 891,801</u> | <u>\$ 83,993,750</u> | <u>\$ 77,611,312</u> | <u>\$ 7,274,239</u> |
| Liabilities | | | | |
| Due to other governments | \$ 891,801 | \$ 83,993,750 | \$ 77,611,312 | \$ 7,274,239 |
| Total liabilities | <u>\$ 891,801</u> | <u>\$ 83,993,750</u> | <u>\$ 77,611,312</u> | <u>\$ 7,274,239</u> |

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
FOR THE YEAR ENDED JUNE 30, 2009

| | Community Unit School District #1 Bismarck Illinois | Community Unit School District #2 Westville Illinois | Community Unit School District #4 Georgetown Ridge Farm Illinois | Community Unit School District #5 Catlin Illinois | Community Unit School District #7 Rossville Illinois |
|--|---|--|---|---|--|
| General State Aid | \$ 2,286,002 | \$ 4,516,477 | \$ 4,179,539 | \$ 1,446,715 | \$ 1,170,818 |
| Special Education | | | | | |
| Private Facility Tuition | - | - | 6,900 | - | - |
| Extraordinary | 90,446 | 139,675 | 135,416 | 51,386 | 43,647 |
| Personnel | 89,455 | 212,341 | 201,079 | 81,957 | 26,619 |
| Orphanage | 16,531 | 24,588 | 5,013 | - | - |
| Summer School | - | 690 | 1,554 | - | - |
| Career & Technical Education | - | - | - | - | - |
| Bilingual Education - TPI | - | - | - | - | - |
| State Free Lunch & Breakfast | 2,929 | 12,783 | 9,324 | 1,016 | 2,597 |
| School Breakfast Incentive | - | 742 | 688 | - | 35 |
| Driver Education | 12,313 | 10,590 | 9,854 | 5,817 | - |
| Transportation | | | | | |
| Regular | 148,572 | 306,830 | 219,532 | 60,235 | 81,432 |
| Special Education | 59,576 | 60,233 | 77,297 | 7,228 | 57,516 |
| National Board Certification Initiatives | - | 3,000 | - | - | - |
| Truants Alternative/Optional Education | - | - | - | - | - |
| Regional Safe Schools | - | - | - | - | - |
| Early Childhood - Block Grant | - | - | - | - | - |
| K-6 Reading Improvement | 24,651 | 52,214 | 20,838 | 14,741 | 13,309 |
| Supervisory Expense | - | - | - | - | - |
| ADA Safety & Education Block Grant | 30,385 | 41,871 | 40,269 | 17,662 | 13,185 |
| Bridges Extended Learning Opportunities | - | - | - | - | - |
| Orphanage Tuition | - | - | - | - | - |
| Class Size Reduction Pilot Program | - | - | - | - | - |
| Children's Mental Health Partnership | - | - | - | 10,625 | - |
| School Bus Driver Training | - | - | - | - | - |
| Title V - Innovative Programs | - | - | - | - | 6,110 |
| National School Lunch Program | 99,776 | 204,996 | 219,333 | 37,768 | 50,851 |
| Special Milk Program | - | - | - | - | - |
| School Breakfast Program | - | 55,601 | 21,135 | - | 15,334 |
| Title I - Low Income | 62,877 | 375,707 | 385,380 | 25,965 | 47,740 |
| Title I - Migrant Education | - | - | - | - | - |
| Title I - Migrant Incentive | - | - | - | - | - |
| Title IV - Safe & Drug Free Schools | 1,635 | 5,452 | 4,100 | 925 | 519 |
| Special Ed. - Pre-School Flow Through | - | - | - | - | - |
| I.D.E.A. Flow-Through | - | - | - | - | - |
| I.D.E.A. Room and Board | - | 3,757 | 565 | - | - |
| ARRA - General State Aid | 675,811 | 1,335,205 | 1,235,613 | 427,692 | 346,129 |
| Title III - Lang Inst Prog-Limited English | - | - | - | - | - |
| Title III - Limited English | - | - | - | - | - |
| Title II - Teacher Quality | 24,986 | 83,848 | 85,059 | 6,999 | 4,740 |
| Technology Enhancing Education | - | 3,287 | 3,042 | 241 | - |
| | <u>\$ 3,625,945</u> | <u>\$ 7,449,887</u> | <u>\$ 6,861,530</u> | <u>\$ 2,196,972</u> | <u>\$ 1,880,581</u> |

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
FOR THE YEAR ENDED JUNE 30, 2009

| | Community Unit School District #10 Potomac Illinois | Community Unit School District #11 Hoopeston Illinois | Community Unit School District #12 Jamaica Illinois | Community Unit School District #61 Armstrong Ellis Illinois | Community Unit School District #76 Oakwood Illinois |
|--|---|---|---|--|---|
| General State Aid | \$ 800,723 | \$ 4,217,093 | \$ 1,091,885 | \$ 212,953 | \$ 3,011,113 |
| Special Education | | | | | |
| Private Facility Tuition | - | 34,598 | - | - | - |
| Extraordinary | 26,121 | 149,791 | 46,811 | 10,908 | 115,814 |
| Personnel | 25,282 | 193,490 | 57,238 | 16,142 | 97,448 |
| Orphanage | - | - | - | - | 9,203 |
| Summer School | - | - | 659 | - | 990 |
| Career & Technical Education | - | - | - | - | - |
| Bilingual Education - TPI | - | - | - | - | - |
| State Free Lunch & Breakfast | 1,572 | 13,619 | 1,962 | 918 | 3,927 |
| School Breakfast Incentive | 70 | 820 | - | 122 | - |
| Driver Education | - | 16,091 | 4,719 | - | 12,287 |
| Transportation | | | | | |
| Regular | 42,474 | 208,400 | 136,354 | 28,287 | 262,324 |
| Special Education | 13,674 | 62,213 | 73,090 | 13,077 | 75,284 |
| National Board Certification Initiatives | - | - | - | - | - |
| Truants Alternative/Optional Education | - | - | - | - | - |
| Regional Safe Schools | - | - | - | - | - |
| Early Childhood - Block Grant | - | - | - | - | - |
| K-6 Reading Improvement | 8,648 | 52,728 | 14,424 | 7,821 | 36,976 |
| Supervisory Expense | - | - | - | - | - |
| ADA Safety & Education Block Grant | 8,336 | 43,617 | 15,123 | 3,462 | 37,925 |
| Bridges Extended Learning Opportunities | 18,500 | - | - | - | - |
| Orphanage Tuition | - | - | - | - | - |
| Class Size Reduction Pilot Program | - | - | - | - | - |
| Children's Mental Health Partnership | - | - | - | - | - |
| School Bus Driver Training | - | - | - | - | - |
| Title V - Innovative Programs | - | - | 149 | - | - |
| National School Lunch Program | 27,176 | 266,599 | 67,376 | 19,325 | 133,001 |
| Special Milk Program | 95 | 1,837 | - | - | - |
| School Breakfast Program | 13,504 | 58,949 | - | 8,195 | - |
| Title I - Low Income | 48,643 | 303,409 | 46,394 | 47,995 | 155,694 |
| Title I - Migrant Education | - | 114,711 | - | - | - |
| Title I - Migrant Incentive | - | 3,300 | - | - | - |
| Title IV - Safe & Drug Free Schools | 885 | 4,642 | 1,217 | 290 | 1,912 |
| Special Ed. - Pre-School Flow Through | - | - | - | - | - |
| I.D.E.A. Flow-Through | - | - | - | - | - |
| I.D.E.A. Room and Board | - | 52,784 | 4,851 | - | - |
| ARRA - General State Aid | 236,718 | 1,246,698 | 322,794 | 62,955 | 890,175 |
| Title III - Lang Inst Prog-Limited English | - | - | - | - | - |
| Title III - Limited English | - | - | - | - | - |
| Title II - Teacher Quality | 7,392 | 81,273 | 18,465 | 10,099 | 41,437 |
| Technology Enhancing Education | - | 2,970 | 475 | - | - |
| | <u>\$ 1,279,813</u> | <u>\$ 7,129,632</u> | <u>\$ 1,903,986</u> | <u>\$ 442,549</u> | <u>\$ 4,885,510</u> |

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION #54
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
FOR THE YEAR ENDED JUNE 30, 2009

| | Community Unit School District #118 Danville Illinois | Community Unit School District #225 Armstrong Illinois | Vermilion County ROE #54 | Total |
|--|---|--|--------------------------------|----------------------|
| General State Aid | \$ 20,580,265 | \$ 185,708 | \$ 93,138 | \$ 43,792,429 |
| Special Education | | | | |
| Private Facility Tuition | 89,816 | 1,288 | - | 132,602 |
| Extraordinary | 780,634 | 11,268 | - | 1,601,917 |
| Personnel | 752,565 | 9,047 | - | 1,762,663 |
| Orphanage | 45,915 | - | - | 101,250 |
| Summer School | 18,836 | - | - | 22,729 |
| Career & Technical Education | 133,218 | - | - | 133,218 |
| Bilingual Education - TPI | 10,131 | - | - | 10,131 |
| State Free Lunch & Breakfast | 64,155 | 641 | 1,220 | 116,663 |
| School Breakfast Incentive | 212 | - | 55 | 2,744 |
| Driver Education | 44,543 | 7,686 | - | 123,900 |
| Transportation | | | | |
| Regular | 830,075 | 33,593 | - | 2,358,108 |
| Special Education | 401,847 | 6,441 | - | 907,476 |
| National Board Certification Initiatives | 9,000 | - | - | 12,000 |
| Truants Alternative/Optional Education | 96,384 | - | - | 96,384 |
| Regional Safe Schools | - | - | 76,795 | 76,795 |
| Early Childhood - Block Grant | 1,707,833 | - | - | 1,707,833 |
| K-6 Reading Improvement | 300,777 | - | - | 547,127 |
| Supervisory Expense | - | - | 1,000 | 1,000 |
| ADA Safety & Education Block Grant | 206,027 | 3,801 | - | 461,663 |
| Bridges Extended Learning Opportunities | 162,915 | - | - | 181,415 |
| Orphanage Tuition | 180,277 | - | - | 180,277 |
| Class Size Reduction Pilot Program | 218,616 | - | - | 218,616 |
| Children's Mental Health Partnership | - | - | - | 10,625 |
| School Bus Driver Training | - | - | 840 | 840 |
| Title V - Innovative Programs | - | - | - | 6,259 |
| National School Lunch Program | 1,466,738 | 20,702 | 17,939 | 2,631,580 |
| Special Milk Program | 9,306 | - | - | 11,238 |
| School Breakfast Program | 447,760 | - | 9,911 | 630,389 |
| Title I - Low Income | 2,298,597 | 20,282 | - | 3,818,683 |
| Title I - Migrant Education | - | - | - | 114,711 |
| Title I - Migrant Incentive | - | - | - | 3,300 |
| Title IV - Safe & Drug Free Schools | 31,388 | - | - | 52,965 |
| Special Ed. - Pre-School Flow Through | 30,777 | - | - | 30,777 |
| I.D.E.A. Flow-Through | 1,597,212 | - | - | 1,597,212 |
| I.D.E.A. Room and Board | 12,466 | 121,125 | - | 195,548 |
| ARRA - General State Aid | 6,076,254 | 54,901 | 27,534 | 12,938,479 |
| Title III - Lang Inst Prog-Limited English | 3,795 | - | - | 3,795 |
| Title III - Limited English | 18,618 | - | - | 18,618 |
| Title II - Teacher Quality | 592,857 | 6,822 | - | 963,977 |
| Technology Enhancing Education | 23,280 | - | - | 33,295 |
| | <u>\$ 39,243,089</u> | <u>\$ 483,305</u> | <u>\$ 228,432</u> | <u>\$ 77,611,231</u> |