

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

FINANCIAL AUDIT
FOR THE YEAR ENDED JUNE 30, 2014

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

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

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

For the Year Ended June 30, 2014

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

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

For the Year Ended June 30, 2014

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

AGENCY OFFICIALS

For the Year Ended June 30, 2014

Regional Superintendent (Current and During the Audit Period)

Dr. Bobbi Mattingly

Assistant Regional Superintendent (Current and During the Audit Period)

Mr. Kyle Thompson

Office is located at:

730 7th Street
Charleston, Illinois 61920

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

FINANCIAL REPORT SUMMARY

For the Year Ended June 30, 2014

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

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	2
Repeated audit findings	1	1
Prior recommendations implemented or not repeated	1	0

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

SUMMARY OF FINDINGS AND RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>FINDINGS (GOVERNMENT AUDITING STANDARDS)</i>			
2014-001	9	Controls Over Financial Statement Preparation	Significant Deficiency
<i>PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)</i>			
2013-002	12	Internal Control Over Cash	Significant Deficiency

EXIT CONFERENCE

The finding and recommendation appearing in this report were discussed with Regional Office of Education #11 management during various informal meetings. The Regional Office of Education #11 declined to have a formal exit conference. The response to the recommendation was provided by Elizabeth Peterson, Bookkeeper, in an email dated January 26, 2015.

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

FINANCIAL STATEMENT REPORT SUMMARY

For the Year Ended June 30, 2014

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

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark, Coles, Cumberland, Douglas, Edgar, Moultrie and Shelby Counties Regional Office of Education #11, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Regional Office of Education #11's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark, Coles, Cumberland, Douglas, Edgar, Moultrie and Shelby Counties Regional Office of Education #11, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 14-21 and Illinois Municipal Retirement Fund Schedule of Funding Progress on page 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Office of Education #11's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements and Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2015 on our consideration of the Regional Office of Education #11's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Regional Office of Education #11's internal control over financial reporting and compliance.

Doehring, Winders & Co. LLP

Mattoon, Illinois
February 25, 2015

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

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #11, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Regional Office of Education #11's basic financial statements, and have issued our report thereon dated February 25, 2015.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2014-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

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

Regional Office of Education #11's Response to Finding

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

Purpose of this Report

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

Doehring, Winklers & Co. LLP

Mattoon, Illinois
February 25, 2015

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

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

SCHEDULE OF FINDINGS AND RESPONSES

FINANCIAL STATEMENT FINDING

For the Year Ended June 30, 2014

FINDING NO. 2014-001 - Controls Over Financial Statement Preparation (Repeat of Finding 13-001, 12-01, 11-01, 10-01, 09-01, 08-02, and 07-03)

Criteria/specific requirement

The Regional Office of Education #11 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office of Education #11's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

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

Condition:

The Regional Office of Education #11 does not have sufficient internal controls over the financial reporting process. The Regional Office of Education #11 maintains its accounting records on cash basis accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office of Education #11 maintains controls over the processing of most accounting transactions, and attempts to prepare the basic financial statements, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

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

- * The Regional Office's financial information required material adjusting entries related to the conversion of its financial statements from cash to accrual basis of accounting based on documentation provided by the Regional Office in order to present its financial statements in accordance with generally accepted accounting principles. Proposed adjusting entries were approved and accepted by Regional Office management.
- * In fiscal year 2014, the Regional Office was able to prepare the individual funds financial statements. However, the basic financial statements which include the Statement of Net Position, Statement of Activities, Governmental Funds Balance Sheet, Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Proprietary Fund Statement of Cash Flows, as well as the notes to the financial statements, were not properly prepared.

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

SCHEDULE OF FINDINGS AND RESPONSES

FINANCIAL STATEMENT FINDING

For the Year Ended June 30, 2014

FINDING NO. 2014-001 - Controls Over Financial Statement Preparation (Repeat of Finding 13-001, 12-01, 11-01, 10-01, 09-01, 08-02, and 07-03) (continued)

Effect:

The Regional Office of Education #11 management or its employees, in the normal course of performing their assigned functions, may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Cause:

According to Regional Office of Education #11 management, this was the Regional Office's third time preparing financial statements. Some additional expertise is needed to address all financial statement and disclosure issues.

Recommendation:

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

Management's Response:

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

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

CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDING

For the Year Ended June 30, 2014

Corrective Action Plan

2014-001 Controls Over Financial Statement Preparation (Repeat of Finding 13-001,12-01, 11-01, 10-01, 09-01, 08-02, and 07-03)

Condition:

The Regional Office of Education #11 does not have sufficient internal controls over the financial reporting process. The Regional Office of Education #11 maintains its accounting records on cash basis accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office of Education #11 maintains controls over the processing of most accounting transactions, and attempts to prepare the basic financial statements, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

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

- * The Regional Office's financial information required material adjusting entries related to the conversion of its financial statements from cash to accrual basis of accounting based on documentation provided by the Regional Office in order to present its financial statements in accordance with generally accepted accounting principles. Proposed adjusting entries were approved and accepted by Regional Office management.
- * In fiscal year 2014, the Regional Office was able to prepare the individual funds financial statements. However, the basic financial statements which include the Statement of Net Position, Statement of Activities, Governmental Funds Balance Sheet, Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Proprietary Fund Statement of Cash Flows, as well as the notes to the financial statements, were not properly prepared.

Plan:

The Regional Office of Education #11 will continue to prepare the financial statements internally and continue to seek additional knowledge and training for staff members to ensure that all financial statements, including disclosures, are complete and accurate.

Anticipated Date of Completion:

Not determined.

Name of Contact Person:

Bobbi Mattingly, Regional Superintendent of Schools

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2014

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
2013-001	Controls Over Financial Statement Preparation	Repeated as 2014-001
2013-002	Internal Control Over Cash	Not Repeated

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2014

The Regional Office of Education #11 for the Counties of Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2014. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements which follow.

Financial Highlights

- Within the Governmental Funds, the General Fund fund balance decreased from \$352,931 in FY13 to \$165,909 in FY14, and the Institute Fund fund balance decreased from \$73,227 to \$54,873.
- Within the Proprietary Fund, Local Workshops total net position decreased from \$167,253 to \$159,679.

Using This Report

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office's financial activities.
- The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the Regional Office of Education as a whole and present an overall view of the Office's finances.
- The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Regional Office's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the financial statements provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements and supplementary information provides detailed information about the General Fund, the Education Fund, and the Nonmajor Funds.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2014

Reporting the Office as a Whole

The Statement of Net Position and the Statement of Activities

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

The two government-wide statements report the Office's net position and how it has changed. Net position, the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, are one way to measure the Office's financial health or position.

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

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

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2014

Reporting the Office as a Whole (continued)

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the financial position. The Regional Office's governmental activities net position at the end of FY14 totaled \$247,631. This compared to \$450,940 at the end of FY13. The analysis that follows provides a summary of the Office's net position at June 30, 2014 and June 30, 2013 for the governmental and business-type activities.

Condensed Statement of Net Position
Governmental Activities

	2014	2013	Increase/ (Decrease)
Current assets	\$ 374,840	\$ 575,620	\$ (200,780)
Capital assets, being depreciated, net	19,744	12,311	7,433
Total assets	394,584	587,931	(193,347)
Current liabilities	109,526	102,985	6,541
Noncurrent liabilities	37,427	34,006	3,421
Total liabilities	146,953	136,991	9,962
Net position:			
Net investment in capital assets	19,744	12,311	7,433
Restricted for educational purposes	89,574	111,540	(21,966)
Unrestricted	138,313	327,089	(188,776)
Total net position	\$ 247,631	\$ 450,940	\$ (203,309)

The Regional Office of Education's governmental net position decreased from \$450,940 to \$247,631. The decrease in total net position was primarily due to a cut in grant funding and availability of county funding during June 30, 2014. Cash and cash equivalents made up the majority of current assets. In addition, net position for educational purposes are considered restricted.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2014

Government-Wide Financial Analysis (continued)

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

	2014	2013	Increase/ (Decrease)
Current assets	\$ 160,086	\$ 167,992	\$ (7,906)
Capital assets, being depreciated, net	729	1,427	(698)
Total assets	160,815	169,419	(8,604)
Current liabilities	232	2,166	(1,934)
Net position:			
Net investment in capital assets	729	1,427	(698)
Unrestricted	159,854	165,826	(5,972)
Total net position	\$ 160,583	\$ 167,253	\$ (6,670)

The Regional Office of Education #11 uses its business-type net position to provide workshops and training services to school districts in the Region. The decrease in total net position was primarily due to lower attendance to workshops than projected.

The following analysis shows the changes in net position for governmental and business-type activities for the years ended June 30, 2014 and June 30, 2013.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2014

Government-Wide Financial Analysis (continued)

Statement of Activities
Governmental Activities

	2014	2013	Increase/ (Decrease)
Revenues:			
Program revenues:			
Operating grants and contributions	\$ 323,329	\$ 313,041	\$ 10,288
General revenues			
Local sources	230,295	404,853	(174,558)
State sources	701,887	771,912	(70,025)
On-behalf payment	563,272	487,594	75,678
Investment earnings	339	547	(208)
	<u>1,819,122</u>	<u>1,977,947</u>	<u>(158,825)</u>
Expenses:			
Program expenses:			
Instructional services			
Salaries and benefits	910,457	975,694	(65,237)
Purchased services	272,444	265,767	6,677
Supplies and materials	37,429	52,261	(14,832)
Other objects	4,643	4,920	(277)
Depreciation expense	5,500	2,857	2,643
Payments to other governments	228,686	289,153	(60,467)
Administrative expenses:			
On-behalf payments - state	563,272	487,594	75,678
	<u>2,022,431</u>	<u>2,078,246</u>	<u>(55,815)</u>
Change in net position	(203,309)	(100,299)	(103,010)
Net position - beginning	<u>450,940</u>	<u>551,239</u>	<u>(100,299)</u>
Net position - ending	<u>\$ 247,631</u>	<u>\$ 450,940</u>	<u>\$ (203,309)</u>

Revenues for governmental activities were \$1,819,122 and expenses were \$2,022,431. The decrease in total revenue is due to a cut in grant funding and availability of county funding during June 30, 2014. Several grant funds decreased in FY14 (i.e. Homeless, ROE/ISC Operations, Truants Alternative/Optional Education & Regional Safe Schools).

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2014

Government-Wide Financial Analysis (continued)

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

	2014	2013	Increase/ (Decrease)
Revenues:			
Program revenues:			
Charges for services	\$ 37,830	\$ 57,724	\$ (19,894)
General revenues			
Investment earnings	152	167	(15)
Total revenues	37,982	57,891	(19,909)
Expenses:			
Salaries and benefits	14,564	11,834	2,730
Purchased services	27,183	48,868	(21,685)
Supplies and materials	1,296	3,057	(1,761)
Depreciation expense	1,609	1,427	182
Total expenses	44,652	65,186	(20,534)
Change in net position	(6,670)	(7,295)	625
Net position - beginning	167,253	174,548	(7,295)
Net position - ending	\$ 160,583	\$ 167,253	\$ (6,670)

Revenues for the business-type activities were \$37,982 and expenses were \$44,652 resulting in an overall decrease in total net position of \$6,670. This was primarily due to higher salary & benefits and lower attendance to workshops than projected for FY14.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2014

Financial Highlights of the Regional Office of Education #11 Funds

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

Governmental Fund Highlights:

- The return on investments (certificates of deposit, short term investments, and interest earned on float), was decreased because of the decrease in interest rates.
- County support for the Regional Office of Education #11 increased by 3% from \$273,050 for the counties' FY13 ending November 30, 2013 to \$281,243 for the counties' FY14 ending November 30, 2014.
- There was level funding in the state aid of \$6,119 per student; appropriations remained level as well at 88%. State Aid funding decreased from \$421,718 in FY13 to \$390,263 in FY14 due to student enrollment over 3 year period. General State Aid TAOEP funding decreased from \$338,782 in FY13 to \$303,797 in FY14. Other grant funds decreased as follows: After excluding the effect of unearned revenue, the Truants Alternative/Optional Education grant decreased from \$86,435 to \$83,626 and the Regional Safe Schools grant decreased from \$86,048 to \$82,833.

Proprietary Fund Highlights:

The Regional Office of Education #11's Local Workshop Fund operated at a loss in FY14. Additional workshops were scheduled in FY14 to generate higher revenue; however, attendance to individual workshops decreased resulting in lower profit. The Professional Development Consortium was discontinued after FY13.

Budgetary Highlights:

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

Capital Assets

There were no material changes in fixed assets from the previous year. See Note 8 in the financial statements for more detail of the capital assets.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2014

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

Economic Factors and Next Year's Budget

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

- The State of Illinois Foundation level used in the calculation of State Aid stayed the same at \$6,119 per student for FY15 and appropriations remained level 88.7%.
- The interest rate on investments remains low.
- Several grants have decreased from previous levels.
- The State of Illinois funding for most programs are now on schedule for payment.
- County Board support of the Regional Office of Education #11 will increase by 1.44% for the next fiscal year.
- PD Staff was downsized to eliminate salary and purchase service expenses during FY15 in order for Local Workshop Fund to operate at a profit.

Contacting the Regional Office's Financial Management

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

BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION

June 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 301,196	\$ 96,556	\$ 397,752
Investments	17,352	62,659	80,011
Prepaid expense	5,904	258	6,162
Accounts receivable	253	-	253
Due from other governments:			
Local	517	613	1,130
State	40,316	-	40,316
Federal	9,302	-	9,302
Total current assets	374,840	160,086	534,926
Noncurrent assets:			
Capital assets, net of depreciation	19,744	729	20,473
Total noncurrent assets	19,744	729	20,473
Total assets	394,584	160,815	555,399
Liabilities			
Current liabilities:			
Accounts payable	35,376	232	35,608
Payroll liabilities	73,725	-	73,725
Unearned revenue	425	-	425
Total current liabilities	109,526	232	109,758
Noncurrent liabilities:			
IMRF net pension obligation	37,427	-	37,427
Total liabilities	146,953	232	147,185
Net position			
Net investment in capital assets	19,744	729	20,473
Restricted for educational purposes	89,574	-	89,574
Unrestricted	138,313	159,854	298,167
Total net position	\$ 247,631	\$ 160,583	\$ 408,214

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

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
Instructional Services:							
Salaries and benefits	\$ 910,457	\$ -	\$ 237,138	\$ -	\$ (673,319)	\$ -	\$ (673,319)
Purchased services	272,444	-	83,603	-	(188,841)	-	(188,841)
Supplies and materials	37,429	-	2,588	-	(34,841)	-	(34,841)
Other objects	4,643	-	-	-	(4,643)	-	(4,643)
Depreciation expense	5,500	-	-	-	(5,500)	-	(5,500)
Payments to other governments	228,686	-	-	-	(228,686)	-	(228,686)
Administrative:							
On-behalf payments - state	563,272	-	-	-	(563,272)	-	(563,272)
Total governmental activities	<u>2,022,431</u>	<u>-</u>	<u>323,329</u>	<u>-</u>	<u>(1,699,102)</u>	<u>-</u>	<u>(1,699,102)</u>
Business-type activities							
Other	<u>44,652</u>	<u>37,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,822)</u>	<u>(6,822)</u>
Total business-type activities	<u>44,652</u>	<u>37,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,822)</u>	<u>(6,822)</u>
Total primary government	<u>\$ 2,067,083</u>	<u>\$ 37,830</u>	<u>\$ 323,329</u>	<u>\$ -</u>	<u>(1,699,102)</u>	<u>(6,822)</u>	<u>(1,705,924)</u>
General Revenues:							
Local sources					230,295	-	230,295
State sources					701,887	-	701,887
On-behalf payments					563,272	-	563,272
Investment earnings					339	152	491
Total general revenues					<u>1,495,793</u>	<u>152</u>	<u>1,495,945</u>
Change in net position					<u>(203,309)</u>	<u>(6,670)</u>	<u>(209,979)</u>
Net position, beginning of year					<u>450,940</u>	<u>167,253</u>	<u>618,193</u>
Net position, end of year					<u>\$ 247,631</u>	<u>\$ 160,583</u>	<u>\$ 408,214</u>

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

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

June 30, 2014

	General Fund	Education Fund	Institute Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 207,659	\$ 21,531	\$ 54,796	\$ 17,210	\$ -	\$ 301,196
Investments	-	17,352	-	-	-	17,352
Prepaid expense	5,817	-	77	10	-	5,904
Accounts receivable	253	-	-	-	-	253
Due from other funds	39,363	-	-	-	(39,363)	-
Due from other governments						
Local	350	-	-	167	-	517
State	10,255	30,061	-	-	-	40,316
Federal	-	9,302	-	-	-	9,302
Total assets	<u>\$ 263,697</u>	<u>\$ 78,246</u>	<u>\$ 54,873</u>	<u>\$ 17,387</u>	<u>\$ (39,363)</u>	<u>\$ 374,840</u>
Liabilities:						
Accounts payable	\$ 32,794	\$ 2,544	\$ -	\$ 38	\$ -	\$ 35,376
Payroll liabilities	54,738	18,987	-	-	-	73,725
Due to other funds	-	39,363	-	-	(39,363)	-
Unearned revenue	425	-	-	-	-	425
Total liabilities	<u>87,957</u>	<u>60,894</u>	<u>-</u>	<u>38</u>	<u>(39,363)</u>	<u>109,526</u>
Deferred inflows of resources:						
Unavailable revenue	9,831	154	-	-	-	9,985
Fund Balance (Deficit):						
Nonspendable	5,817	-	77	10	-	5,904
Restricted	-	17,352	54,796	17,339	-	89,487
Assigned	113,180	-	-	-	-	113,180
Unassigned	46,912	(154)	-	-	-	46,758
Total fund balance	<u>165,909</u>	<u>17,198</u>	<u>54,873</u>	<u>17,349</u>	<u>-</u>	<u>255,329</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 263,697</u>	<u>\$ 78,246</u>	<u>\$ 54,873</u>	<u>\$ 17,387</u>	<u>\$ (39,363)</u>	<u>\$ 374,840</u>

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

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

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

June 30, 2014

Total Fund balances - governmental funds	\$	255,329
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Some revenues will not be collected for several months after the Regional Office fiscal year ends, they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.		9,985
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		19,744
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		<u>(37,427)</u>
Net position of governmental activities	\$	<u>247,631</u>

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

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

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

For the Year Ended June 30, 2014

	General Fund	Education Fund	Institute Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
Revenues:						
Local sources	\$ 194,905	\$ -	\$ 24,064	\$ 14,736	\$ -	\$ 233,705
State sources	695,435	241,679	-	1,375	-	938,489
State sources- payments made on behalf of region	563,272	-	-	-	-	563,272
Federal sources	50,888	34,018	-	-	-	84,906
Total revenues	<u>1,504,500</u>	<u>275,697</u>	<u>24,064</u>	<u>16,111</u>	<u>-</u>	<u>1,820,372</u>
Expenditures:						
Instructional services						
Salaries and benefits	633,915	237,138	28,258	7,725	-	907,036
Purchased services	222,244	32,715	10,355	7,130	-	272,444
Supplies and materials	31,829	2,588	87	2,925	-	37,429
Other objects	917	-	3,726	-	-	4,643
Payments to other governments	228,686	-	-	-	-	228,686
Payments made on behalf of region	563,272	-	-	-	-	563,272
Capital outlay	10,965	-	-	1,968	-	12,933
Total expenditures	<u>1,691,828</u>	<u>272,441</u>	<u>42,426</u>	<u>19,748</u>	<u>-</u>	<u>2,026,443</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(187,328)</u>	<u>3,256</u>	<u>(18,362)</u>	<u>(3,637)</u>	<u>-</u>	<u>(206,071)</u>
Other financing sources (uses):						
Transfers in	25,800	-	-	-	(25,800)	-
Transfers out	(25,800)	-	-	-	25,800	-
Interest	306	23	8	2	-	339
Total other financing sources (uses)	<u>306</u>	<u>23</u>	<u>8</u>	<u>2</u>	<u>-</u>	<u>339</u>
Net change in fund balance	<u>(187,022)</u>	<u>3,279</u>	<u>(18,354)</u>	<u>(3,635)</u>	<u>-</u>	<u>(205,732)</u>
Fund balance, beginning of year	<u>352,931</u>	<u>13,919</u>	<u>73,227</u>	<u>20,984</u>	<u>-</u>	<u>461,061</u>
Fund balance, ending of year	<u>\$ 165,909</u>	<u>\$ 17,198</u>	<u>\$ 54,873</u>	<u>\$ 17,349</u>	<u>\$ -</u>	<u>\$ 255,329</u>

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

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

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

For the Year Ended June 30, 2014

Net change in fund balances		\$ (205,732)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Some revenues will not be collected for several months after the Regional Office fiscal year ends, they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.</p>		
Reported in the funds - current year	\$ 9,985	
Reported in the funds - prior year	<u>(11,574)</u>	(1,589)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay	\$ 12,933	
Depreciation	<u>(5,500)</u>	7,433
<p>Certain expenses in the Statement of Activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in the governmental funds.</p>		
Reported in the funds - current year	\$ (37,427)	
Reported in the funds - prior year	<u>34,006</u>	<u>(3,421)</u>
Change in net position of governmental activities		<u><u>\$ (203,309)</u></u>

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

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

JUNE 30, 2014

	Business-Type Activities- Enterprise Funds		Total
	Local Workshops	Nonmajor Fund - Local Service Fees	
Assets			
Current assets:			
Cash and cash equivalents	\$ 96,125	\$ 431	\$ 96,556
Investments	62,659	-	62,659
Prepaid expense	258	-	258
Due from other governments			
Local	<u>140</u>	<u>473</u>	<u>613</u>
Total current assets	<u>159,182</u>	<u>904</u>	<u>160,086</u>
Noncurrent assets:			
Capital assets, net of depreciation	<u>729</u>	<u>-</u>	<u>729</u>
Total noncurrent assets	<u>729</u>	<u>-</u>	<u>729</u>
Total assets	<u>159,911</u>	<u>904</u>	<u>160,815</u>
Liabilities			
Current liabilities:			
Accounts payable	<u>232</u>	<u>-</u>	<u>232</u>
Total current liabilities	<u>232</u>	<u>-</u>	<u>232</u>
Net Position			
Net investment in capital assets	729	-	729
Unrestricted	<u>158,950</u>	<u>904</u>	<u>159,854</u>
Total net position	<u>\$ 159,679</u>	<u>\$ 904</u>	<u>\$ 160,583</u>

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

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

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

For the Year Ended June 30, 2014

	Business-Type Activities- Enterprise Funds		Total
	Local Workshops	Nonmajor Fund - Local Service Fees	
Operating revenues			
Local sources	\$ 30,805	\$ 7,025	\$ 37,830
Total operating revenues	<u>30,805</u>	<u>7,025</u>	<u>37,830</u>
Operating expenses			
Salaries and benefits	14,564	-	14,564
Purchased services	21,062	6,121	27,183
Supplies and materials	1,296	-	1,296
Depreciation	1,609	-	1,609
Total operating expenses	<u>38,531</u>	<u>6,121</u>	<u>44,652</u>
Operating income (loss)	<u>(7,726)</u>	<u>904</u>	<u>(6,822)</u>
Nonoperating revenues			
Interest income	152	-	152
Total nonoperating revenue	<u>152</u>	<u>-</u>	<u>152</u>
Change in net position	(7,574)	904	(6,670)
Total net position, beginning of year	<u>167,253</u>	<u>-</u>	<u>167,253</u>
Total net position, end of year	<u>\$ 159,679</u>	<u>\$ 904</u>	<u>\$ 160,583</u>

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

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2014

	Business-Type Activities- Enterprise Funds		
	Local Workshops	Nonmajor Fund - Local Service Fees	Total
Cash flows from operating activities:			
Workshop receipts	\$ 31,550	\$ 6,552	\$ 38,102
Payments to suppliers and providers of goods and services	(22,432)	(6,121)	(28,553)
Payments to employees	(14,114)	-	(14,114)
Net cash provided by (used for) operating activities	(4,996)	431	(4,565)
Cash flows from capital and related financing activities:			
Purchase of capital assets	(911)	-	(911)
Net cash (used for) capital and related financing activities	(911)	-	(911)
Cash flows from investing activities:			
Purchase of investments	(141)	-	(141)
Interest received on investments	152	-	152
Net cash provided by investing activities	11	-	11
Net increase (decrease) in cash and cash equivalents	(5,896)	431	(5,465)
Cash and cash equivalents - beginning of year	102,021	-	102,021
Cash and cash equivalents - end of year	\$ 96,125	\$ 431	\$ 96,556
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (7,726)	\$ 904	\$ (6,822)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	1,609	-	1,609
(Increase)/decrease in assets:			
(Increase)/decrease in due from other governments	2,605	(473)	2,132
Decrease in prepaid expense	450	-	450
Increase/(decrease) in liabilities:			
(Decrease) in accounts payable	(74)	-	(74)
(Decrease) in deferred revenue	(1,860)	-	(1,860)
Net cash provided by (used for) operating activities	\$ (4,996)	\$ 431	\$ (4,565)

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

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

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2014

	Agency Funds
Assets	\$ -
Total Assets	\$ -
Liabilities	\$ -
Total Liabilities	\$ -

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

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

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

FINANCIAL REPORTING ENTITY

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

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

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

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

For the period ended June 30, 2014 the Regional Office of Education #11 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #11. Such activities are reported as a single major special revenue fund (i.e. within the Education Fund).

SCOPE OF THE REPORTING ENTITY

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

SCOPE OF THE REPORTING ENTITY (Continued)

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

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

NEW ACCOUNTING PRONOUNCEMENTS

In 2014, the Regional Office of Education #11 implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. In addition, the Regional Office of Education #11 implemented GASB Statement No. 66, *Technical Corrections - 2012 - An Amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Regional Office of Education #11 also implemented GASB Statement No. 67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25*. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. Lastly, the Regional Office of Education #11 implemented GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement provides accounting and financial reporting guidance to state and local governments that either offer or receive nonexchange financial guarantees. The implementation of GASB 65 limits the use of the term "deferred" to items reported as deferred inflows or outflows of resources. It also requires a change in the recognition of items previously reported as assets and liabilities. Deferred outflows of resources are combined with assets and deferred inflows of resources are combined with liabilities for purposes of determining major funds. The remaining new standards implemented during 2014 had no significant impact on the financial statements.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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

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

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUND FINANCIAL STATEMENTS (Continued)

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING

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

GOVERNMENTAL FUNDS

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

As prescribed by GASB Statement No. 34, governmental and proprietary 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 plus deferred outflows of resources, liabilities plus deferred inflows of resources, 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 plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education #11 has presented all major funds that met the above qualifications.

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

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

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

Direct Service - This fund is used to account for interest that is earned on deposits in the Distributive Fund's interest-bearing checking account in fiscal years that interest earned exceeds bank charges. Funds for fingerprinting and shared services are accounted for in this fund.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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

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

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

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

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

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

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

Area IV - System of Support - Foundational Services - The program was formed to provide districts and schools within the region professional development, networking and technical assistance representing best practices.

Institute Fund - This fund accounts for teacher certificate registration, 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.

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUND

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

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

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

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

Local Service Fees – The local service fees fund is used to account for the local fees and expenses related to specific services provided by the Regional Office of Education #11.

FIDUCIARY FUND

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

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

County School Facility Occupation Tax - This fund receives County School Facility Occupation Tax collected by the Illinois Department of Revenue for distribution to school districts in any county authorizing this tax.

GOVERNMENTAL FUND BALANCES

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

Nonspendable Fund Balance – The portion of a Governmental Fund's fund balance that is not available to be spent, either short term or long term, in either form or through legal restrictions. The nonspendable fund balance is for prepaid insurance from the County Support, Direct Service, Youth Services, Institute, General Education Development and Bus Driver Training funds.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUND BALANCES (Continued)

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is in the Direct Service Fund. General funds and special revenue funds that present a deficit balance have also been reported as unassigned, which only applies to Youth Services and Driver Ed.

NET POSITION

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

Net investment in capital assets - Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position- Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted net position - The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit.

INVENTORY

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

CAPITAL ASSETS

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

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

COMPENSATED ABSENCES

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

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources consist of unavailable revenue that is applicable to a future reporting period.

REGIONAL OFFICE OF EDUCATION #11
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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ESTIMATES

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

BUDGET INFORMATION

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

2 DEPOSITS AND INVESTMENTS

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

A. DEPOSITS

At June 30, 2014, the carrying amount of the Regional Office of Education #11's government-wide and Agency fund deposits were \$397,752 and \$0, respectively, and the bank balances were \$487,678 and \$0, respectively. At June 30, 2014, \$250,000 of the Regional Office of Education #11's cash deposits was insured by the Federal Deposit Insurance Corporation. Another \$237,678 was collateralized by securities pledged by the Regional Office's financial institution on behalf of the Regional Office.

B. INVESTMENTS

As of June 30, 2014, the carrying amount and the fair values of the Regional Office of Education #11's government-wide and Agency fund investments were \$80,011 and \$0, respectively. Investments consisted of certificates of deposit which were fully insured by the Federal Deposit Insurance Corporation.

CREDIT RISK

At June 30, 2014, 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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

2 DEPOSITS AND INVESTMENTS (Continued)

INTEREST RATE RISK

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

CONCENTRATION OF CREDIT RISK

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

3 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND

A. PLAN DESCRIPTION

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

B. FUNDING POLICY

As set by statute, the Regional Office of Education #11's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2013 used by the employer was 11.25 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2013 was 15.25 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

C. ANNUAL PENSION COST

For calendar year ending December 31, 2013, the employer's actual contributions for pension cost for the Regular Plan were \$17,003. Its required contribution for calendar year 2013 was \$23,049.

Three-Year Trend Information for the Regular Plan:

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2013	\$ 23,049	74%	\$ 37,427
12/31/2012	31,268	45%	34,006
12/31/2011	32,455	45%	17,701

REGIONAL OFFICE OF EDUCATION #11
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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

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

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 10 year basis.

D. FUNDED STATUS AND FUNDING PROGRESS

As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 83.48 percent funded. The actuarial accrued liability for benefits was \$506,337 and the actuarial value of assets was \$422,689, resulting in an underfunded actuarial accrued liability (UAAL) of \$83,648. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$151,140 and the ratio of the UAAL to the covered payroll was 55 percent.

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

4 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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

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

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The active member contribution rate for the year ended June 30, 2014, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2013 and 2012.

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

REGIONAL OFFICE OF EDUCATION #11
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NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

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

ON BEHALF CONTRIBUTIONS TO TRS

The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #11. For the year ended June 30, 2014, State of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #11 recognized revenue and expenditures of \$294,708 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2013 and June 30, 2012, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 28.05 percent (\$246,390) and 24.91 percent (\$232,549), respectively.

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

2.2 FORMULA CONTRIBUTIONS

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2014 were \$3,634. Contributions for the years ending June 30, 2013, and June 30, 2012, were \$3,921 and \$4,321, respectively.

FEDERAL AND SPECIAL TRUST FUND CONTRIBUTIONS

When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #11, there is a statutory requirement for the Regional Office of Education #11 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since 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. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and 2012, the employer contribution was 28.05 and 24.91 percent, respectively. For the year ended June 30, 2014, salaries totaling \$5,810 were paid from federal and special trust funds that required employer contributions of \$2,057. For the years ended June 30, 2013, and June 30, 2012, required Regional Office of Education #11 contributions were \$0 and \$2,491, respectively.

EARLY RETIREMENT OPTION (ERO)

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

The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the years ended June 30, 2014, 2013 and 2012, the Regional Office of Education #11 paid no employer contributions to TRS under the ERO program.

SALARY INCREASES OVER 6 PERCENT AND EXCESS SICK LEAVE

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

For the years ended June 30, 2014, 2013 and 2012, the Regional Office of Education #11 paid no employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

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

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the Regional Office of Education #11 during the four-year sick leave review period, and the TRS total normal cost rate (17.29 percent of salary during the year ended June 30, 2014).

For the years ended June 30, 2014, 2013 and 2012, the Regional Office of Education #11 paid no employer contributions to TRS for sick leave days granted in excess of the normal annual allotment.

FURTHER INFORMATION ON TRS

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2013. The report for the year ended June 30, 2014, is expected to be available in late 2014.

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

5 TEACHER HEALTH INSURANCE SECURITY FUND

The Regional Office of Education #11 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state administered participating provider option plan or choose from several managed care options. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to the THIS Fund.

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

ON BEHALF CONTRIBUTIONS TO THIS FUND

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #11. State contributions are intended to match contributions to THIS Fund from active members which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$6,112, and the Regional Office of Education #11 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2013 and June 30, 2012 were 0.92 and 0.88 percent of pay, respectively. State contributions on behalf of Regional Office of Education #11 employees were \$6,200 and \$6,554, respectively.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

5 TEACHER HEALTH INSURANCE SECURITY FUND (Continued)

EMPLOYER CONTRIBUTIONS TO THIS FUND

The Regional Office of Education #11 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.72 percent during the year ended June 30, 2014, and 0.69 and 0.66 percent during the years ended June 30, 2013 and June 30, 2012, respectively. For the year ended June 30, 2014, the Regional Office of Education #11 paid \$4,537 to the THIS Fund. For the years ended June 30, 2013 and 2012, the Region paid \$4,650 and \$4,916, to the THIS Fund, respectively, which was 100% of the required contribution.

FURTHER INFORMATION ON THIS FUND

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services". Prior reports are available under "Healthcare and Family Services".

6 DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2014 consist of the following individual due to/from other funds in the governmental fund balance sheet. The balances between governmental funds were eliminated in the government-wide Statement of Net Position. Interfund loans were made for the purpose of providing cash to funds that were awaiting reimbursements from grantors.

Fund	Due From Other Funds	Due To Other Funds
General Fund		
County Support	\$ 39,363	\$ -
Education Fund		
Homeless	-	5,229
Driver Ed	-	154
Illinois Violence Prevention Authority	-	7,173
Truants Alternative/Optional Education	-	15,204
Regional Safe Schools	-	7,530
Title II - Teacher Quality Leadership	-	95
Title II - Teacher Quality	-	597
Area IV - System of Support - Foundational Services	-	3,381
	\$ 39,363	\$ 39,363

7 ON BEHALF PAYMENTS

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

Regional Superintendent Salary	\$ 109,464
Regional Superintendent Fringe Benefit (Includes State paid insurance)	22,307
Assistant Regional Superintendent Salary	98,544
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	32,137
Contributions to TRS and THIS	300,820
Total	\$ 563,272

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

7 ON BEHALF PAYMENTS (Continued)

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

8 CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #11 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. The following equipment is separated by fund. The following table provides a summary of changes in capital assets for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Governmental Activities:				
General Funds				
County Support	\$ 48,202	\$ 7,053	\$ 1,000	\$ 54,255
Direct Service	2,335	-	-	2,335
Youth Services	26,968	3,912	-	30,880
Total for General Funds	<u>77,505</u>	<u>10,965</u>	<u>1,000</u>	<u>87,470</u>
Special Revenue Funds				
Major Funds				
Institute	565	-	-	565
Education Funds				
Area IV - System of Support -				
Foundational Services	3,156	-	656	2,500
ROE/ISC Operations	2,169	-	624	1,545
Driver Ed	1,628	-	-	1,628
Regional Safe Schools	67,142	-	-	67,142
Title I-Reading First Part B SEA	2,430	-	-	2,430
Title II-Teacher Quality	890	-	-	890
Technology Enhancing Educ.	7,244	-	-	7,244
Total for Education Funds	<u>84,659</u>	<u>-</u>	<u>1,280</u>	<u>83,379</u>
Non-Major Funds				
GED	-	1,285	-	1,285
Bus Driver Training	-	683	-	683
	<u>-</u>	<u>1,968</u>	<u>-</u>	<u>1,968</u>
Total - Governmental Funds	162,729	12,933	2,280	173,382
Less: Accumulated Depreciation	<u>150,418</u>	<u>5,500</u>	<u>2,280</u>	<u>153,638</u>
Investment in Capital Assets, Net				
Governmental Activities	<u>\$ 12,311</u>	<u>\$ 7,433</u>	<u>\$ -</u>	<u>\$ 19,744</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

8 CAPITAL ASSETS (Continued)

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Business-Type Activities:				
Local Workshops	\$ 35,037	\$ 911	\$ 1,081	\$ 34,867
Less: Accumulated Depreciation	33,610	1,609	1,081	34,138
Investment in Capital Assets, Net	<u>\$ 1,427</u>	<u>\$ (698)</u>	<u>\$ -</u>	<u>\$ 729</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2014 of \$5,500 and \$1,609 was charged to governmental activities - instructional services and business-type activities, respectively. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

9 RISK MANAGEMENT

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

10 INTERFUND ACTIVITY

Interfund transfer in/out to other fund balances at June 30, 2014 consist of the following individual transfers in/out other to funds in the governmental fund balance sheet. The transfers were made to move program support from State Aid/Distributive Interest and Shared Services in Direct Services to Youth Services. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

Fund	Transfer In	Transfer Out
General Fund		
Direct Services	\$ -	\$ 25,800
Youth Services	25,800	-
	<u>\$ 25,800</u>	<u>\$ 25,800</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

11 DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #11's General Fund, Education Fund, Other Nonmajor Funds, and Proprietary Fund have funds due from various other governmental units which consist of the following at June 30, 2014:

Due from Other Governments:

General Fund	
Illinois State Board of Education - State Funds	\$ 9,949
Local School Districts	350
Illinois Comptroller - State Funds	306
Education Fund	
Illinois State Board of Education - State Funds	22,888
Illinois State Board of Education - Federal Funds	692
Iroquois-Kankakee Regional Office of Education	8,610
Illinois Comptroller - State Funds	7,173
Other Nonmajor Funds	
Local Service Fees	143
Local School Districts	24
Proprietary Fund	
Local School Districts	140
Local Service Fees	473
Total	<u>\$ 50,748</u>

12 OPERATING LEASES

The Regional Office of Education #11 has entered into several operating lease agreements for its office facilities, Bridges Alternative School Program, Regional Safe Schools Program, a postage meter and four copiers. During the year ended June 30, 2014 rentals under lease obligations were \$64,247. Future minimum rentals are as follows for the years ending June 30:

2015	\$	57,097
2016		48,589
2017		47,952
2018		47,034
2019		44,280
2020-2021		<u>62,730</u>
Total	\$	<u>307,682</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

13 OTHER POSTEMPLOYMENT BENEFITS

The Regional Office of Education #11 has evaluated its potential other post employment benefits liability. Former employees who choose to retain their rights to health insurance through the Regional Office of Education #11 are required to pay 100% of the current premium. No former employees have chosen to stay in the Regional Office of Education #11's health insurance plan. Therefore, there has been zero percent utilization and therefore no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Regional Office of Education #11 had no former employees for which the Regional Office of Education #11 was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Regional Office of Education #11 has not recorded any post employment benefit liability as of June 30, 2014.

14 OTHER REQUIRED FUND DISCLOSURES

Deficit fund balance at June 30, 2014 is as follows:

Drivers Ed	\$	154
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15 PROSPECTIVE ACCOUNTING CHANGE

The Governmental Accounting Standards Board has issued Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB No. 27*. This statement will be implemented for the fiscal year ending June 30, 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the government's proportionate share of the employee pension plan.

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

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

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
(UNAUDITED)

JUNE 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/13	\$ 422,689	\$ 506,337	\$ 83,648	83.48%	\$ 151,140	55.34%
12/31/12	311,096	470,799	159,703	66.08%	153,200	104.24%
12/31/11	409,989	501,297	91,308	81.79%	175,430	52.05%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$570,954. On a market basis, the funded ratio would be 112.76%.

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

SUPPLEMENTAL INFORMATION

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

COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND

JUNE 30, 2014

	County Support	Direct Service	Youth Services	Total
Assets				
Cash and cash equivalents	\$ 63,026	\$ 57,625	\$ 87,008	\$ 207,659
Prepaid expense	4,763	9	1,045	5,817
Accounts receivable	-	-	253	253
Due from other funds	39,363	-	-	39,363
Due from other governments				
Local	-	350	-	350
State	-	306	9,949	10,255
Total assets	\$ 107,152	\$ 58,290	\$ 98,255	\$ 263,697
Liabilities				
Accounts payable	\$ 772	\$ 1,113	\$ 30,909	\$ 32,794
Payroll liabilities	5,327	-	49,411	54,738
Unearned revenue	-	425	-	425
Total liabilities	6,099	1,538	80,320	87,957
Deferred inflows of resources				
Unavailable revenue	-	-	9,831	9,831
Fund Balance (deficit)				
Nonspendable	4,763	9	1,045	5,817
Assigned	96,290	-	16,890	113,180
Unassigned	-	56,743	(9,831)	46,912
Total fund balance	101,053	56,752	8,104	165,909
Total liabilities, deferred inflows and fund balance	\$ 107,152	\$ 58,290	\$ 98,255	\$ 263,697

See accompanying Independent Auditor's Report.

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

For the Year Ended June 30, 2014

	County Support	Direct Service	Youth Services	Total
Revenues				
Local sources	\$ 142,543	\$ 49,808	\$ 2,554	\$ 194,905
State sources	-	2,506	692,929	695,435
State sources-payments made on behalf of region	563,272	-	-	563,272
Federal sources	-	-	50,888	50,888
	<u>705,815</u>	<u>52,314</u>	<u>746,371</u>	<u>1,504,500</u>
Expenditures				
Salaries and benefits	206,423	4,969	422,523	633,915
Purchased services	78,192	44,873	99,179	222,244
Supplies and materials	7,667	-	24,162	31,829
Other objects	434	423	60	917
Payments to other governments	-	-	228,686	228,686
Payments made on behalf of region	563,272	-	-	563,272
Capital outlay	7,053	-	3,912	10,965
	<u>863,041</u>	<u>50,265</u>	<u>778,522</u>	<u>1,691,828</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(157,226)</u>	<u>2,049</u>	<u>(32,151)</u>	<u>(187,328)</u>
Other financing sources (uses)				
Transfers in	-	-	25,800	25,800
Transfers out	-	(25,800)	-	(25,800)
Interest	49	253	4	306
	<u>49</u>	<u>(25,547)</u>	<u>25,804</u>	<u>306</u>
Net change in fund balance	(157,177)	(23,498)	(6,347)	(187,022)
Fund balance, beginning of year	<u>258,230</u>	<u>80,250</u>	<u>14,451</u>	<u>352,931</u>
Fund balance, end of year	<u>\$ 101,053</u>	<u>\$ 56,752</u>	<u>\$ 8,104</u>	<u>\$ 165,909</u>

See accompanying Independent Auditor's Report.

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

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS

JUNE 30, 2014

	Homeless	Driver Ed	Illinois Violence Prevention Authority
Assets			
Cash and cash equivalents	\$ 676	\$ -	\$ 2,544
Investments	-	-	-
Due from other governments:			
State	-	154	7,173
Federal	5,229	-	-
	<u>5,229</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 5,905</u>	<u>\$ 154</u>	<u>\$ 9,717</u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ 2,544
Payroll liabilities	676	-	-
Due to other funds	5,229	154	7,173
	<u>5,229</u>	<u>154</u>	<u>7,173</u>
Total liabilities	<u>5,905</u>	<u>154</u>	<u>9,717</u>
Deferred inflow of resources			
Unavailable revenue	-	154	-
	<u>-</u>	<u>154</u>	<u>-</u>
Fund balance (deficit)			
Restricted	-	-	-
Unassigned	-	(154)	-
	<u>-</u>	<u>(154)</u>	<u>-</u>
Total fund balance (deficit)	<u>-</u>	<u>(154)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balance			
	<u>\$ 5,905</u>	<u>\$ 154</u>	<u>\$ 9,717</u>

See accompanying Independent Auditors' Report.

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

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS

JUNE 30, 2014

	Truants Alternative/ Optional Education	Regional Safe Schools	ROE/ISC Operations
Assets			
Cash and cash equivalents	\$ 9,747	\$ 8,544	\$ 20
Investments	-	-	17,352
Due from other governments:			
State	15,204	7,530	-
Federal	-	-	-
Total assets	\$ 24,951	\$ 16,074	\$ 17,372
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Payroll liabilities	9,747	8,544	20
Due to other funds	15,204	7,530	-
Total liabilities	24,951	16,074	20
Deferred inflow of resources			
Unavailable revenue	-	-	-
Fund balance (deficit)			
Restricted	-	-	17,352
Unassigned	-	-	-
Total fund balance (deficit)	-	-	17,352
Total liabilities, deferred inflows and fund balance	\$ 24,951	\$ 16,074	\$ 17,372

See accompanying Independent Auditors' Report.

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

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS

JUNE 30, 2014

	Title II - Teacher Quality Leadership	Title II - Teacher Quality	Area IV - System of Support - Foundational Services	Total
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 21,531
Investments	-	-	-	17,352
Due from other governments:				
State	-	-	-	30,061
Federal	95	597	3,381	9,302
	<u>95</u>	<u>597</u>	<u>3,381</u>	<u>9,302</u>
Total assets	<u>\$ 95</u>	<u>\$ 597</u>	<u>\$ 3,381</u>	<u>\$ 78,246</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,544
Payroll liabilities	-	-	-	18,987
Due to other funds	95	597	3,381	39,363
	<u>95</u>	<u>597</u>	<u>3,381</u>	<u>39,363</u>
Total liabilities	<u>95</u>	<u>597</u>	<u>3,381</u>	<u>60,894</u>
Deferred inflow of resources				
Unavailable revenue	-	-	-	154
	<u>-</u>	<u>-</u>	<u>-</u>	<u>154</u>
Fund balance (deficit)				
Restricted	-	-	-	17,352
Unassigned	-	-	-	(154)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(154)</u>
Total fund balance (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,198</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 95</u>	<u>\$ 597</u>	<u>\$ 3,381</u>	<u>\$ 78,246</u>

See accompanying Independent Auditors' Report.

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

For the Year Ended June 30, 2014

	Homeless	Driver Ed	Illinois Violence Prevention Authority
Revenues			
State sources	\$ -	\$ 3,873	\$ 38,466
Federal sources	19,690	-	-
	19,690	3,873	38,466
Total revenues	19,690	3,873	38,466
Expenditures			
Salaries and benefits	11,555	547	28,128
Purchased services	6,294	70	10,181
Supplies and materials	1,841	-	157
	19,690	617	38,466
Total expenditures	19,690	617	38,466
Excess of revenues over expenditures	-	3,256	-
Other financing sources:			
Interest	-	-	-
Total other financing sources	-	-	-
Net change in fund balance	-	3,256	-
Fund balance (deficit), beginning of year	-	(3,410)	-
Fund balance (deficit), end of year	\$ -	\$ (154)	\$ -

See accompanying Independent Auditor's Report.

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

For the Year Ended June 30, 2014

	Truants Alternative/ Optional Education	Regional Safe Schools	ROE/ISC Operations
Revenues			
State sources	\$ 83,626	\$ 82,833	\$ 32,881
Federal sources	-	-	-
Total revenues	<u>83,626</u>	<u>82,833</u>	<u>32,881</u>
Expenditures			
Salaries and benefits	78,299	82,316	30,318
Purchased services	5,327	517	2,068
Supplies and materials	-	-	495
Total expenditures	<u>83,626</u>	<u>82,833</u>	<u>32,881</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:			
Interest	-	-	23
Total other financing sources	<u>-</u>	<u>-</u>	<u>23</u>
Net change in fund balance	-	-	23
Fund balance (deficit), beginning of year	<u>-</u>	<u>-</u>	<u>17,329</u>
Fund balance (deficit), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,352</u>

See accompanying Independent Auditor's Report.

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

For the Year Ended June 30, 2014

	Title II - Teacher Quality Leadership	Title II - Teacher Quality	Area IV - System of Support - Foundational Services	Total
Revenues				
State sources	\$ -	\$ -	\$ -	\$ 241,679
Federal sources	6,295	1,262	6,771	34,018
Total revenues	<u>6,295</u>	<u>1,262</u>	<u>6,771</u>	<u>275,697</u>
Expenditures				
Salaries and benefits	-	-	5,975	237,138
Purchased services	6,200	1,262	796	32,715
Supplies and materials	95	-	-	2,588
Total expenditures	<u>6,295</u>	<u>1,262</u>	<u>6,771</u>	<u>272,441</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,256</u>
Other financing sources:				
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>23</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>23</u>
Net change in fund balance	-	-	-	3,279
Fund balance (deficit), beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,919</u>
Fund balance (deficit), end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,198</u></u>

See accompanying Independent Auditor's Report.

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

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
HOMELESS

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 19,690	\$ 19,690	\$ 19,690
Total revenues	<u>19,690</u>	<u>19,690</u>	<u>19,690</u>
Expenditures			
Salaries and benefits	9,945	9,945	11,555
Purchased services	8,095	7,795	6,294
Supplies and materials	<u>1,650</u>	<u>1,950</u>	<u>1,841</u>
Total expenditures	<u>19,690</u>	<u>19,690</u>	<u>19,690</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

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

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE / OPTIONAL EDUCATION

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 83,626	\$ 83,626	\$ 83,626
Total revenues	<u>83,626</u>	<u>83,626</u>	<u>83,626</u>
Expenditures			
Salaries and benefits	78,289	78,289	78,299
Purchased services	<u>5,337</u>	<u>5,337</u>	<u>5,327</u>
Total expenditures	<u>83,626</u>	<u>83,626</u>	<u>83,626</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

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

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 82,833	\$ 82,833	\$ 82,833
Total revenues	<u>82,833</u>	<u>82,833</u>	<u>82,833</u>
Expenditures			
Salaries and benefits	82,420	82,420	82,316
Purchased services	413	413	517
Total expenditures	<u>82,833</u>	<u>82,833</u>	<u>82,833</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

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

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ROE/ISC OPERATIONS

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 32,881	\$ 32,881	\$ 32,881
Total revenues	<u>32,881</u>	<u>32,881</u>	<u>32,881</u>
Expenditures			
Salaries and benefits	30,624	30,624	30,318
Purchased services	1,500	1,500	2,068
Supplies and materials	757	757	495
Total expenditures	<u>32,881</u>	<u>32,881</u>	<u>32,881</u>
Other financing sources			
Interest	-	-	23
Total other financing sources	<u>-</u>	<u>-</u>	<u>23</u>
Net change in fund balance	-	-	23
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>17,329</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,352</u></u>

See accompanying Independent Auditor's Report.

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

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

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 6,295	\$ 6,295	\$ 6,295
Total revenues	<u>6,295</u>	<u>6,295</u>	<u>6,295</u>
Expenditures			
Purchased services	6,100	6,100	6,200
Supplies and materials	<u>195</u>	<u>195</u>	<u>95</u>
Total expenditures	<u>6,295</u>	<u>6,295</u>	<u>6,295</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

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

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE II - TEACHER QUALITY

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 1,262	\$ 1,262	\$ 1,262
Total revenues	<u>1,262</u>	<u>1,262</u>	<u>1,262</u>
Expenditures			
Purchased services	<u>1,262</u>	<u>1,262</u>	<u>1,262</u>
Total expenditures	<u>1,262</u>	<u>1,262</u>	<u>1,262</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

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

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
AREA IV - SYSTEM OF SUPPORT - FOUNDATIONAL SERVICES

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 43,271	\$ 43,271	\$ 6,771
Total revenues	43,271	43,271	6,771
Expenditures			
Salaries and benefits	33,500	33,500	5,975
Purchased services	9,771	9,771	796
Total expenditures	43,271	43,271	6,771
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -

See accompanying Independent Auditors' Report.

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2014

	<u>General Education Development</u>	<u>Bus Driver Training</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 4,788	\$ 12,422	\$ 17,210
Prepaid expense	5	5	10
Due from other governments			
Local	143	24	167
	<u>4,936</u>	<u>12,451</u>	<u>17,387</u>
Total assets	\$ 4,936	\$ 12,451	\$ 17,387
Liabilities			
Accounts payable	\$ -	\$ 38	\$ 38
Fund balance			
Nonspendable	5	5	10
Restricted	4,931	12,408	17,339
	<u>4,936</u>	<u>12,413</u>	<u>17,349</u>
Total fund balance	4,936	12,413	17,349
Total liabilities & fund balance	\$ 4,936	\$ 12,451	\$ 17,387

See accompanying Independent Auditor's Report.

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

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

For the Year Ended June 30, 2014

	General Education Development	Bus Driver Training	Total
Revenues			
Local sources	\$ 10,109	\$ 4,627	\$ 14,736
State sources	-	1,375	1,375
Total revenues	<u>10,109</u>	<u>6,002</u>	<u>16,111</u>
Expenditures			
Salaries and benefits	5,289	2,436	7,725
Purchased services	3,654	3,476	7,130
Supplies and materials	2,650	275	2,925
Capital outlay	1,285	683	1,968
Total expenditures	<u>12,878</u>	<u>6,870</u>	<u>19,748</u>
(Deficiency) of revenues over expenditures	<u>(2,769)</u>	<u>(868)</u>	<u>(3,637)</u>
Other financing sources:			
Interest	<u>1</u>	<u>1</u>	<u>2</u>
Total other financing sources	<u>1</u>	<u>1</u>	<u>2</u>
Net change in fund balance	(2,768)	(867)	(3,635)
Fund balance, beginning of year	<u>7,704</u>	<u>13,280</u>	<u>20,984</u>
Fund balance, end of year	<u>\$ 4,936</u>	<u>\$ 12,413</u>	<u>\$ 17,349</u>

See accompanying Independent Auditor's Report.

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

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS

JUNE 30, 2014

	Regional Trustee Fund	County School Facility Occupation Tax	Total
Assets	\$ -	\$ -	\$ -
Total assets	\$ -	\$ -	\$ -
Liabilities	\$ -	\$ -	\$ -
Total liabilities	\$ -	\$ -	\$ -

See accompanying Independent Auditor's Report.

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

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended June 30, 2014

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>COUNTY SCHOOL FACILITY</u>				
<u>OCCUPATION TAX</u>				
Assets				
Due from other governments	\$ -	\$ 397,055	\$ 397,055	\$ -
Total assets	<u>\$ -</u>	<u>\$ 397,055</u>	<u>\$ 397,055</u>	<u>\$ -</u>
Liabilities				
Due to other governments	\$ -	\$ 397,055	\$ 397,055	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 397,055</u>	<u>\$ 397,055</u>	<u>\$ -</u>
<u>REGIONAL TRUSTEE FUND</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 1,500	\$ 1,500	\$ -
Total assets	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ -</u>
Liabilities				
Accounts payable	\$ -	\$ 1,500	\$ 1,500	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ -</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 1,500	\$ 1,500	\$ -
Due from other governments	-	397,055	397,055	-
Total assets	<u>\$ -</u>	<u>\$ 398,555</u>	<u>\$ 398,555</u>	<u>\$ -</u>
Liabilities				
Accounts payable	\$ -	\$ 1,500	\$ 1,500	\$ -
Due to other governments	-	397,055	397,055	-
Total liabilities	<u>\$ -</u>	<u>\$ 398,555</u>	<u>\$ 398,555</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

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

For the Year Ended June 30, 2014

Program Description	Arcola CUSD# 306	Arthur CUSD #305	Atwood Hammond CUSD #305	Heritage CUSD# 8	Oakland CUSD# 5	Shiloh CUSD# 1	Tuscola CUSD# 301	Villa Grove CUSD# 302	Total
Douglas County School Facility Occupation Tax	\$ 97,310	\$ 45,504	\$ 23,067	\$ 252	\$ 8,571	\$ 20,042	\$ 126,553	\$ 75,756	\$ 397,055