

**State of Illinois
DEWITT, LIVINGSTON, AND
MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
FINANCIAL AUDIT
(In Accordance with the Single Audit Act
and OMB Circular A-133)
For the Year Ended June 30, 2011**

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17**

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REGIONAL OFFICE OF EDUCATION #17**

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DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17

OFFICIALS

Regional Superintendent
(During the Audit Period and Current)

Mr. Mark Jontry

Assistant Regional Superintendent
(During the Audit Period and Current)

Ms. Diane Stempinski

Office is located at:

905 N. Main St. - Suite #1
Normal, Illinois 61761

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17**

COMPLIANCE REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	2	3
Repeated audit findings	2	1
Prior recommendations implemented or not repeated	1	0

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

An additional matter which is less than a significant deficiency or material weakness but more than inconsequential, has been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, this issue may have been included as an immaterial finding in the auditors' report.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
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FINDINGS (GOVERNMENT AUDITING STANDARDS)

11-1	12	Controls Over Financial Statement Preparation	Material Weakness
11-2	14	Inadequate Internal Controls Over Cash	Material Weakness

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

None

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

None

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

10-3	17	Inadequate Recording of American Recovery and Reinvestment Act Awards	Compliance Significant Deficiency
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**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17**

COMPLIANCE REPORT SUMMARY

EXIT CONFERENCE

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2011. Throughout the audit, numerous meetings were held between auditors and ROE officials to discuss the matters contained in this audit report. Responses to the recommendations were provided by Honorable Mr. Mark Jontry, Regional Superintendent, on March 5, 2012.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17**

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17 was performed by Winkel, Parker & Foster, CPA PC.

Based on their audit, the auditors expressed an unqualified opinion on the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic financial statements.

INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17, as of and for the year ended June 30, 2012, which collectively comprise the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended June 30, 2012. The statement changed the classifications of governmental fund balances and clarified the definitions of existing fund types. The adoption of this statement had no effect on any of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's governmental funds' assets or liabilities nor was there any effect to the total amount of any of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's governmental fund balances as of and for the year ended June 30, 2012.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2012 on our consideration of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, Illinois Municipal Retirement Fund Schedule of Funding Progress, and Other Postemployment Benefits Schedule of Funding Progress on pages 19 through 32, 73 and 74 are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic financial statements. The accompanying supplemental information, such as the combining and individual nonmajor fund financial statements, budgetary comparison schedules and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Winkel, Parker & Foster, CPA PC

Clinton, Iowa
April 17, 2012



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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17, as of and for the year ended June 30, 2012, which collectively comprise the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic financial statements and have issued our report thereon dated April 17, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's internal control over financial reporting.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in findings 11-1 and 11-2 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted a certain matter which we have reported to management of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17 in a separate letter dated April 17, 2012.

Regional Office of Education # 17's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Regional Office of Education # 17's response and, accordingly, we express no opinion on it.

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

Winkel, Parker & Foster, CPA PC

Clinton, Iowa
April 17, 2012

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited DeWitt, Livingston, and McLean Counties Regional Office of Education #17's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's major federal programs for the year ended June 30, 2012. The DeWitt, Livingston, and McLean Counties Regional Office of Education #17's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's management. Our responsibility is to express an opinion on the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's compliance with those requirements.

In our opinion, the DeWitt, Livingston, and McLean Counties Regional Office of Education #17 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's internal control over compliance.

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

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

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

Winkel, Parker & Foster, CPA PC

Clinton, Iowa
April 17, 2012

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011**

Section I: Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiencies identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiencies identified? yes none reported

Type of auditor's report issued on compliance for major programs: Unqualified

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.410A</u>	<u>Education Jobs Fund, Recovery Act</u>
<u>84.010A, 84.389A</u>	<u>Title I, Part A Cluster</u>
<u>84.002A</u>	<u>Adult Education - Basic Grants to States</u>

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

Auditee qualified as low-risk auditee? yes no

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011**

Section II: Financial Statement Findings:

FINDING NO. 11-1 - Controls Over Financial Statement Preparation (Repeat from 2010 - No. 10-1, 2009 - No. 09-1, 2008 - No. 08-1, and 2007 - No. 07-1)

Criteria/Specific Requirement:

The Regional Office of Education #17 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Regional Office of Education #17 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect and correct financial statement misstatements and disclosure omissions in a timely manner. Auditors, in their review of the Regional Office's accounting records, noted numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.

Effect:

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

Cause:

The Regional Office of Education does not have proper controls in place over the preparation of financial statements to ensure that they are presented in accordance with generally accepted accounting principles.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011**

Section II: Financial Statement Findings:

FINDING NO. 11-1 - Controls Over Financial Statement Preparation (Repeat from 2010 - No. 10-1, 2009 - No. 09-1, 2008 - No. 08-1, and 2007 - No. 07-1) (Continued)

Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #17 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

Management's Response:

The Regional Office of Education #17 understands the nature of this finding and realizes that this circumstance is not unusual in an organization this size. The Regional Office of Education will continue to seek qualified professional accounting expertise in developing procedures that will satisfy the pronouncements in financial statement preparation.

This office will continue to provide training for staff in utilizing the full range of financial technology that currently exists. This office will continue to utilize expert consultants to provide training in the preparation of financial statements.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011**

Section II: Financial Statement Findings:

**FINDING NO. 11-2 - Inadequate Internal Controls Over Cash (Repeat from 2010 -
No. 10-2)**

Criteria/Specific Requirement:

Adequate internal controls over cash require all cash in the custody of the Regional Office of Education #17 be recorded in the general ledger and each month's bank statement be reconciled to the related general ledger account balance.

Condition:

The Regional Office of Education #17's ending adjusted general ledger balance for their operating cash account was not properly reconciled to the bank account.

Effect:

There is a risk of errors in the expenditures reported in the general ledger, and of misuse, or theft of funding.

Cause:

The Regional Office of Education #17 has inadequate internal controls in place to ensure that bank statements are reconciled to the related general ledger cash accounts.

Recommendation:

The Regional Office of Education #17's management should review each original bank reconciliation to its related general ledger account balances monthly to ensure the reconciliations are completed in a timely manner and that all reconciling items are reviewed with the appropriate follow-up. The bookkeeper should reconcile all activity that takes place in the account and track reconciling items to ensure proper treatment.

Management's Response:

This office has implemented protocols to ensure that the cash is recorded in the general ledger on a daily basis and that monthly reconciliation will be completed in a timely manner. New personnel have been employed and trained in implementing procedures to reconcile on a monthly basis.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ended June 30, 2011**

FINDING NO. 11-1 - Controls Over Financial Statement Preparation (Repeat from 2010 - No. 10-1, 2009 - No. 09-1, 2008 - No. 08-1, and 2007 - No. 07-1)

Condition:

The Regional Office of Education #17 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect and correct financial statement misstatements and disclosure omissions in a timely manner. Auditors, in their review of the Regional Office's accounting records, noted numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.

Plan:

The Regional Office of Education #17 understands the nature of this finding and realizes that this circumstance is not unusual in an organization this size. The Regional Office of Education will continue to seek qualified professional accounting expertise in developing procedures that will satisfy the pronouncements in financial statement preparation.

This office will continue to provide training for staff in utilizing the full range of financial technology that currently exists. This office will continue to utilize expert consultants to provide training in the preparation of financial statements.

Anticipated Completion Date:

Immediately

Contact Person Responsible for Corrective Action:

Honorable Mark Jontry, Regional Superintendent

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ended June 30, 2011**

**FINDING NO. 11-2 - Inadequate Internal Controls Over Cash (Repeat from 2010 -
No. 10-2)**

Condition:

The Regional Office of Education #17's ending adjusted general ledger balance for their operating cash account was not properly reconciled to the bank account.

Plan:

This office has implemented protocols to ensure that the cash is recorded in the general ledger on a daily basis and that monthly reconciliation will be completed in a timely manner. New personnel have been employed and trained in implementing procedures to reconcile on a monthly basis.

Anticipated Completion Date:

Immediately

Contact Person Responsible for Corrective Action:

Honorable Mark Jontry, Regional Superintendent

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2011**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
10-1	Controls Over Financial Statement Preparation	Repeated
10-2	Inadequate Internal Controls Over Cash	Repeated
10-3	Inadequate Recording of American Recovery and Reinvestment Act Awards	Resolved

MANAGEMENT'S DISCUSSION AND ANALYSIS

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 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, 2011. We encourage readers to consider this information in conjunction with DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial statements, which follow.

During fiscal year 2011 the DeWitt, Livingston, and McLean Counties Regional Office of Education #17 implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which required certain programs and funds to be reclassified and the restatement of beginning fund balances as detailed in Note 15 to the financial statements. Because of these reclassifications, the fund analysis is not comparable between fiscal year 2010 and fiscal year 2011.

2011 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$925,908 in 2010 to \$3,696,682 in 2011. The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 showed an increase in General Fund balance from \$159,166 in fiscal year 2010 to \$2,041,481 in fiscal year 2011 mostly due to fund reclassifications and a net change in fund balance of \$337,728.
- The Institute Fund's fund balance decreased from \$109,991 in 2010 to \$100,289 in 2011. The main reason for the decrease is due to a decrease in certificate registrations and salaries and benefits charged to the fund in fiscal year 2011.
- The Education Fund's fund balance decreased from \$1,720,203 in 2010 to \$62,046 in 2011 mostly due to fund reclassifications and a net change in fund balance of \$64,394. The Education Fund is made up of grants that the Regional Office receives and these can vary greatly from year to year as some programs have decreased funding or are discontinued while others see a funding increase.

USING THIS ANNUAL REPORT

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of DeWitt, Livingston, and McLean Counties Regional Office of Education #17 as a whole and present an overall view of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's finances.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

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 DeWitt, Livingston, and McLean Counties Regional Office of Education #17's operations in more detail than the government-wide statements by providing information about the most significant funds.

Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplemental Information further explains and supports the financial statements with information about the Illinois Municipal Retirement Fund Schedule of Funding Progress.

Other Supplemental Information provides detailed information about the major and nonmajor funds.

Figure A-1 summarizes the major features of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial statements, including the portion of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's activities they cover and the types of information they contain.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

**Figure A-1
Major Features of the Government-wide and Fund Financial Statements**

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Regional Office of Education #17 (except fiduciary funds)	The activities of Regional Office of Education #17 that are not proprietary or fiduciary, such as grants and statutory funds	Activities Regional Office of Education #17 operates similar to private businesses: workshops	Instances in which Regional Office of Education #17 administers resources on behalf of someone else, such as the distributive fund, Regional Board of School Trustees Fund, and the Cooperative Purchasing Fund
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Revenues, Expenses, and Changes in Fund Net Assets • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
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MANAGEMENT'S DISCUSSION AND ANALYSIS
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REPORTING DEWITT, LIVINGSTON, AND MCLEAN COUNTIES REGIONAL OFFICE OF EDUCATION #17'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about DeWitt, Livingston, and McLean Counties Regional Office of Education #17 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets and how they have changed. Net assets - the difference between DeWitt, Livingston, and McLean Counties Regional Office of Education #17's assets and liabilities - are one way to measure DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial health or financial position. Over time, increases or decreases in DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets are an indicator of whether financial position is improving or deteriorating. To assess DeWitt, Livingston, and McLean Counties Regional Office of Education #17's overall health, additional non-financial factors, such as changes in DeWitt, Livingston, and McLean Counties Regional Office of Education #17's grant funding and the condition of facilities need to be considered.

In the government-wide financial statements, DeWitt, Livingston, and McLean Counties Regional Office of Education #17's activities are divided into two categories:

- *Governmental activities:* Most of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic services are included here, such as grants and statutory funds. Federal and state grant proceeds finance most of these activities.
- *Business-type activities:* DeWitt, Livingston, and McLean Counties Regional Office of Education #17 charges fees to help cover the costs of certain services it provides. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's Inservice fund is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about DeWitt, Livingston, and McLean Counties Regional Office of Education #17's funds, focusing on its most significant or "major" funds - not DeWitt, Livingston, and McLean Counties Regional Office of Education #17 as a whole. Funds are accounting devices DeWitt, Livingston, and McLean Counties Regional Office of Education #17 uses to keep track of specific sources of funding and spending on particular programs.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Some funds are required by state law. DeWitt, Livingston, and McLean Counties Regional Office of Education #17 establishes other funds to control and manage money for particular purposes, such as accounting for special revenue funds, or to show that it is properly using certain revenues, such as federal grants.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 has three kinds of funds:

1) *Governmental funds*: Most of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance DeWitt, Livingston, and McLean Counties Regional Office of Education #17's programs.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17's governmental funds include the General Fund and Special Revenue Funds.

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances.

2) *Proprietary funds*: Services for which DeWitt, Livingston, and McLean Counties Regional Office of Education #17 charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's Enterprise Funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. DeWitt, Livingston, and McLean Counties Regional Office of Education #17 currently has one Enterprise Fund, the Inservice Fund.

The required financial statements for proprietary funds include a Statement of Net Assets; a Statement of Revenues, Expenses, and Changes in Fund Net Assets; and a Statement of Cash Flows.

3) *Fiduciary funds*: DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is the trustee for assets that belong to others. These funds include the Agency Funds.

- Agency Funds - These are funds through which DeWitt, Livingston, and McLean Counties Regional Office of Education #17 administers and accounts for certain federal and/or state grants on behalf of others.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. DeWitt, Livingston, and McLean Counties Regional Office of Education #17 excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

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

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of DeWitt, Livingston, and McLean Counties Regional Office of Education #17, assets exceeded liabilities by \$3,091,382 as of June 30, 2011.

A portion of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets (14%) reflects its investment in capital assets (e.g., furniture and equipment), less any related debt used to acquire those assets that are still outstanding. Although DeWitt, Livingston, and McLean Counties Regional Office of Education #17's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial position is the product of several financial transactions including the net results of activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets for the fiscal years ended June 30, 2011 and 2010.

2011

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Current assets	\$ 2,894,073	\$ 124,860	\$ 3,018,933
Capital assets, net of accumulated depreciation	<u>441,443</u>	<u>-</u>	<u>441,443</u>
Total assets	<u>3,335,516</u>	<u>124,860</u>	<u>3,460,376</u>
Current liabilities	363,965	2,626	366,591
Noncurrent liabilities	<u>2,403</u>	<u>-</u>	<u>2,403</u>
Total liabilities	<u>366,368</u>	<u>2,626</u>	<u>368,994</u>
Net assets			
Invested in capital assets, net of related debt	441,443	-	441,443
Unrestricted	2,039,078	122,234	2,161,312
Restricted for educational purposes	<u>488,627</u>	<u>-</u>	<u>488,627</u>
Total net assets	<u>\$ 2,969,148</u>	<u>\$ 122,234</u>	<u>\$ 3,091,382</u>

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

<u>2010</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Current assets	\$ 2,484,534	\$ 149,468	\$ 2,634,002
Capital assets, net of accumulated depreciation	<u>508,323</u>	<u>-</u>	<u>508,323</u>
Total assets	<u>2,992,857</u>	<u>149,468</u>	<u>3,142,325</u>
Current liabilities	<u>170,835</u>	<u>1,157</u>	<u>171,992</u>
Net assets			
Invested in capital assets, net of related debt	508,323	-	508,323
Unrestricted	2,203,708	148,311	2,352,019
Restricted for educational purposes	<u>109,991</u>	<u>-</u>	<u>109,991</u>
Total net assets	<u>\$ 2,822,022</u>	<u>\$ 148,311</u>	<u>\$ 2,970,333</u>

The largest portion of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets is unrestricted. Unrestricted net assets are the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements. Unrestricted net assets were \$2,161,312 for the year ended June 30, 2011. In addition, net assets related to the Institute Fund, Education Fund, and Non-Major Funds are considered restricted for educational purposes.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

Changes in net assets. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's total revenue for the fiscal year ended June 30, 2011 was \$6,753,464. The total cost of all programs and services was \$6,454,451. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2011 and 2010.

<u>2011</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ -	\$ 39,992	\$ 39,992
Operating grants and contributions	3,603,200	-	3,603,200
General revenues			
Local sources	2,451,121	-	2,451,121
State sources	154,661	-	154,661
On-behalf payments	<u>504,490</u>	<u>-</u>	<u>504,490</u>
Total revenues	<u>6,713,472</u>	<u>39,992</u>	<u>6,753,464</u>
Expenses:			
Instructional services			
Salaries and benefits	3,234,839	6,483	3,241,322
Purchased services	1,681,488	27,477	1,708,965
Supplies and materials	220,856	26,370	247,226
Payments to other governments	660,397	8,016	668,413
Other objects	238	-	238
Depreciation and disposition losses	67,600	-	67,600
Capital outlay	15,477	720	16,197
Administrative			
On-behalf payments	<u>504,490</u>	<u>-</u>	<u>504,490</u>
Total expenses	<u>6,385,385</u>	<u>69,066</u>	<u>6,454,451</u>
Excess (deficiency) before transfers	<u>328,087</u>	<u>(29,074)</u>	<u>299,013</u>
Other financing sources (uses)			
Transfer in	40	3,037	3,077
Transfer out	<u>(3,037)</u>	<u>(40)</u>	<u>(3,077)</u>
Total other financing sources (uses)	<u>(2,997)</u>	<u>2,997</u>	<u>-</u>
Change in net assets	325,090	(26,077)	299,013
Net assets, beginning of year as restated	<u>2,644,058</u>	<u>148,311</u>	<u>2,792,369</u>
Net assets, end of year	<u>\$ 2,969,148</u>	<u>\$ 122,234</u>	<u>\$ 3,091,382</u>

Operating grants and contributions account for 53% of the total revenue. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's expenses primarily relate to instructional services, which account for 92% of the total expenses.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
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<u>2010</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ -	\$ 110,611	\$ 110,611
Operating grants and contributions	3,770,741	-	3,770,741
General revenues			
Local sources	2,451,597	-	2,451,597
State sources	319,832	-	319,832
On-behalf payments	527,943	-	527,943
Total revenues	<u>7,070,113</u>	<u>110,611</u>	<u>7,180,724</u>
Expenses:			
Instructional services			
Salaries and benefits	2,941,955	19,207	2,961,162
Purchased services	2,519,797	30,426	2,550,223
Supplies and materials	242,420	16,328	258,748
Payments to other governments	117,470	-	117,470
Other objects	34,959	-	34,959
Depreciation and disposition losses	96,379	-	96,379
Capital outlay	393	1,677	2,070
Administrative			
On-behalf payments	527,943	-	527,943
Total expenses	<u>6,481,316</u>	<u>67,638</u>	<u>6,548,954</u>
Excess before transfers	<u>588,797</u>	<u>42,973</u>	<u>631,770</u>
Other financing sources (uses)			
Transfer in	26,430	46,626	73,056
Transfer out	(66,191)	(6,865)	(73,056)
Total other financing sources (uses)	<u>(39,761)</u>	<u>39,761</u>	<u>-</u>
Change in net assets	549,036	82,734	631,770
Net assets, beginning of year	2,272,986	65,577	2,338,563
Net assets, end of year	<u>\$ 2,822,022</u>	<u>\$ 148,311</u>	<u>\$ 2,970,333</u>

Operating grants and contributions account for 53% of the total revenue. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's expenses primarily relate to instructional services, which account for 92% of the total expenses.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

Governmental Activities

Revenues for governmental activities were \$6,713,472 and \$7,070,113 and expenses were \$6,385,385 and \$6,481,316 for 2011 and 2010, respectively.

The following tables present the cost of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's functional governmental activities. The tables also show each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and DeWitt, Livingston, and McLean Counties Regional Office of Education #17's residents by each of these functions.

<u>2011</u>	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instructional services:		
Salaries and benefits	\$ 3,234,839	\$ (1,230,729)
Purchased services	1,681,488	(638,965)
Supplies and materials	220,856	(83,925)
Payments to other governments	660,397	(250,951)
Other objects	238	(90)
Depreciation	67,600	(67,600)
Capital outlay	15,477	(5,435)
Administrative:		
On-behalf payments	<u>504,490</u>	<u>(504,490)</u>
Total expenses	<u>\$ 6,385,385</u>	<u>\$ (2,782,185)</u>
 <u>2010</u>		
Instructional services:		
Salaries and benefits	\$ 2,941,955	\$ (1,059,104)
Purchased services	2,519,797	(907,127)
Supplies and materials	242,420	(87,271)
Payments to other governments	117,470	(42,289)
Other objects	34,959	(12,585)
Depreciation	96,379	(96,379)
Capital outlay	393	22,123
Administrative:		
On-behalf payments	<u>527,943</u>	<u>(527,943)</u>
Total expenses	<u>\$ 6,481,316</u>	<u>\$ (2,710,575)</u>

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The cost of all governmental activities was \$6,385,385 and \$6,481,316 for 2011 and 2010, respectively.

Federal and state governments subsidized certain governmental activities with grants and contributions of \$3,603,200 and \$3,770,741 for 2011 and 2010, respectively.

Net cost of governmental activities (\$2,782,185), was financed by general revenues, which are made up of primarily local and state sources (\$2,605,782) and on-behalf payments (\$504,490) for 2011.

Net cost of governmental activities (\$2,710,575), was financed by general revenues, which are made up of primarily local and state sources (\$2,771,429) and on-behalf payments (\$527,943) for 2010.

Business-Type Activities

Revenues for business-type activities were \$39,992 and \$110,611 and expenses were \$69,066 and \$67,638 for 2011 and 2010, respectively. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's business-type activities include the Inservice Fund. Revenues of these activities were comprised of charges for service.

INDIVIDUAL FUND ANALYSIS

As previously noted, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of DeWitt, Livingston, and McLean Counties Regional Office of Education #17 as a whole is reflected in its governmental funds, as well. As DeWitt, Livingston, and McLean Counties Regional Office of Education #17 completed the year, its governmental funds reported a combined fund balance of \$2,260,772, above last year's ending fund balance of \$2,039,416.

Governmental Fund Highlights

The General Fund's fund balance increased from \$159,166 in 2010 to \$2,041,481 in 2011 mostly due to fund reclassifications and a net change in fund balance of \$337,728.

The Institute Fund's fund balance decreased from \$109,991 in 2010 to \$100,289 in 2011. The main reason for the decrease is due to a decrease in certificate registrations and salaries and benefits charged to the fund in fiscal year 2011.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The Education Fund's fund balance decreased from \$1,720,203 in 2010 to \$62,046 in 2011 mostly due to fund reclassifications. The Education Fund is made up of grants that the Regional Office receives and these can vary greatly from year to year as some programs are discontinued while others see a funding increase. Over the various programs that make up the fund, total revenues exceeded expenditures by \$64,394.

Proprietary Fund Highlights

Inservice Fund net assets decreased from \$148,311 at June 30, 2010 to \$122,234 at June 30, 2011. The decrease is attributable to decreased revenues in the current year.

The Inservice Fund revenues have decreased from fiscal year 2010 to fiscal year 2011 due to fluctuations in workshops offered and the number of attendees. The Inservice Fund expenses were consistent from fiscal year 2010 to fiscal year 2011.

BUDGETARY HIGHLIGHTS

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is not required to create a budget for overall operations. They are required to prepare budgets for most of the grants they receive. Over the course of the year, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 amended several of the grant budgets within the Education Fund. Budgets for grant programs are adjusted because of an increase or decrease in funding due to changes at the State level or to better allocate funds received to meet the needs of the program.

CAPITAL ASSETS

As of June 30, 2011, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 had invested \$441,443 in capital assets, including furniture and equipment. This amount was \$66,880 lower when compared to 2010. Total depreciation expense for the year was \$67,600.

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2011.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Furniture and equipment	\$ 78,486	\$ -	\$ 78,486
Leasehold improvements	362,957	-	362,957
	<u>\$ 441,443</u>	<u>\$ -</u>	<u>\$ 441,443</u>

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2010.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Furniture and equipment	\$ 136,662	\$ -	\$ 136,662
Leasehold improvements	371,661	-	371,661
	<u>\$ 508,323</u>	<u>\$ -</u>	<u>\$ 508,323</u>

Additional information on DeWitt, Livingston, and McLean Counties Regional Office of Education #17's capital assets can be found in Note 8 on pages 65 and 66 of this report.

**ECONOMIC FACTORS BEARING ON DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17'S FUTURE**

At the time these financial statements were prepared and audited, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 was aware of several existing circumstances that could significantly affect its financial health in the future:

Multiple economic factors continue to provide a negative impact on the financial health of the DeWitt, Livingston and McLean Counties Regional Office of Education #17 in the current climate. Health insurance continues to increase. The prospect of retirement benefit costs being shifted from the State of Illinois to the employers (Regional Office) is a very real possibility in the next 6 months. General State Aid payments for the Regional Alternative School are likely to be prorated between 5-10%. Combined, these factors present an uncertain economic future for the Regional Office of Education #17.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

**CONTACTING DEWITT, LIVINGSTON, AND MCLEAN COUNTIES REGIONAL OFFICE OF
EDUCATION #17'S FINANCIAL MANAGEMENT**

This financial report is designed to provide DeWitt, Livingston, and McLean Counties Regional Office of Education #17's citizens, taxpayers, and customers with a general overview of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's finances and to demonstrate DeWitt, Livingston, and McLean Counties Regional Office of Education #17's accountability for the money it receives. If you have questions about this report or need additional financial information, contact DeWitt, Livingston, and McLean Counties Regional Office of Education #17, 905 N. Main St. - Suite #1, Normal, Illinois 61761.

BASIC FINANCIAL STATEMENTS

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF NET ASSETS
June 30, 2011

	Primary Government		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,962,028	\$ 124,860	\$ 2,086,888
Due from other governments	932,045	-	932,045
Total current assets	2,894,073	124,860	3,018,933
Non-current assets:			
Capital assets, being depreciated, net	441,443	-	441,443
Total assets	3,335,516	124,860	3,460,376
LIABILITIES			
Current liabilities:			
Accounts payable	1,976	-	1,976
Accrued expenses	201,062	-	201,062
Due to other governments	160,927	2,626	163,553
Total current liabilities	363,965	2,626	366,591
Noncurrent liabilities:			
Net OPEB obligations	2,403	-	2,403
Total liabilities	366,368	2,626	368,994
NET ASSETS			
Investment in capital assets	441,443	-	441,443
Unrestricted	2,039,078	122,234	2,161,312
Restricted for educational purposes	488,627	-	488,627
Total net assets	\$ 2,969,148	\$ 122,234	\$ 3,091,382

The accompanying notes are an integral part of the financial statements.

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 STATEMENT OF ACTIVITIES
 Year Ended June 30, 2011

EXHIBIT B

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
Instructional services:						
Salaries	\$ 2,619,502	\$ -	\$ 1,622,601	\$ (996,901)	\$ -	\$ (996,901)
Employee benefits	615,337	-	381,509	(233,828)	-	(233,828)
Purchased services	1,681,488	-	1,042,523	(638,965)	-	(638,965)
Supplies and materials	220,856	-	136,931	(83,925)	-	(83,925)
Payments to other governments	660,397	-	409,446	(250,951)	-	(250,951)
Other objects	238	-	148	(90)	-	(90)
Depreciation	67,600	-	-	(67,600)	-	(67,600)
Capital outlay	15,477	-	10,042	(5,435)	-	(5,435)
Administrative:						
On-behalf payments	504,490	-	-	(504,490)	-	(504,490)
Total governmental activities	6,385,385	-	3,603,200	(2,782,185)	-	(2,782,185)
Business-type activities:						
Registration fees	69,066	39,992	-	-	(29,074)	(29,074)
Total primary government	\$ 6,454,451	\$ 39,992	\$ 3,603,200	(2,782,185)	(29,074)	(2,811,259)
General revenues:						
Local sources				2,451,121	-	2,451,121
State sources				154,661	-	154,661
On-behalf payments				504,490	-	504,490
Transfers				(2,997)	2,997	-
Total general revenues and transfers				3,107,275	2,997	3,110,272
CHANGES IN NET ASSETS				325,090	(26,077)	299,013
NET ASSETS, BEGINNING OF YEAR AS RESTATED				2,644,058	148,311	2,792,369
NET ASSETS, END OF YEAR				\$ 2,969,148	\$ 122,234	\$ 3,091,382

The accompanying notes are an integral part of the financial statements.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011**

	Special Revenue				
	General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,390,229	\$ 102,265	\$ 411,552	\$ 57,982	\$ 1,962,028
Due from other governments	366,775	-	565,270	-	932,045
Due from other funds	585,103	-	-	-	585,103
TOTAL ASSETS	\$ 2,342,107	\$ 102,265	\$ 976,822	\$ 57,982	\$ 3,479,176
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts payable	\$ -	\$ 1,976	\$ -	\$ -	\$ 1,976
Accrued expenses	200,910	-	152	-	201,062
Due to other governments	13,836	-	146,065	1,026	160,927
Due to other funds	76,933	-	508,170	-	585,103
Deferred revenue	8,947	-	260,389	-	269,336
Total liabilities	300,626	1,976	914,776	1,026	1,218,404
FUND BALANCE					
Restricted	-	100,289	290,160	56,956	447,405
Assigned	19,782	-	-	-	19,782
Unassigned	2,021,699	-	(228,114)	-	1,793,585
Total fund balance	2,041,481	100,289	62,046	56,956	2,260,772
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,342,107	\$ 102,265	\$ 976,822	\$ 57,982	\$ 3,479,176

The accompanying notes are an integral part of the financial statements.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2011**

Total fund balance of governmental funds (page 36)	\$ 2,260,772
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	441,443
Receivables not collected within 60 days of year end are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	269,336
The OPEB obligations resulting from annual required contributions in excess of actual contributions are not due and payable in the current period and therefore, are not reported in the funds.	<u>(2,403)</u>
Net assets of governmental activities (page 34)	<u>\$ 2,969,148</u>

The accompanying notes are an integral part of the financial statements.

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 Year Ended June 30, 2011

	Special Revenue				Total Governmental Funds
	General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	
REVENUES:					
Local sources	\$ 1,035,121	\$ 66,887	\$ 1,322,827	\$ 26,286	\$ 2,451,121
State sources	1,977,557	-	958,211	1,546	2,937,314
Federal sources	179,514	-	645,980	-	825,494
On-behalf payments	504,490	-	-	-	504,490
Total revenues	<u>3,696,682</u>	<u>66,887</u>	<u>2,927,018</u>	<u>27,832</u>	<u>6,718,419</u>
EXPENDITURES:					
Instructional services:					
Salaries	1,784,412	17,574	810,913	4,200	2,617,099
Employee benefits	416,393	9,108	189,515	321	615,337
Purchased services	405,089	32,710	1,236,119	7,570	1,681,488
Supplies and materials	54,604	4,494	152,997	8,761	220,856
Payments to other governments	179,563	12,703	468,131	-	660,397
Other objects	158	-	-	80	238
On-behalf payments	504,490	-	-	-	504,490
Capital outlay	14,245	-	1,952	-	16,197
Total expenditures	<u>3,358,954</u>	<u>76,589</u>	<u>2,859,627</u>	<u>20,932</u>	<u>6,316,102</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>337,728</u>	<u>(9,702)</u>	<u>67,391</u>	<u>6,900</u>	<u>402,317</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	-	-	40	-	40
Transfer out	-	-	(3,037)	-	(3,037)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,997)</u>	<u>-</u>	<u>(2,997)</u>
NET CHANGE IN FUND BALANCE	337,728	(9,702)	64,394	6,900	399,320
FUND BALANCE, BEGINNING OF YEAR AS RESTATED	<u>1,703,753</u>	<u>109,991</u>	<u>(2,348)</u>	<u>50,056</u>	<u>1,861,452</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,041,481</u>	<u>\$ 100,289</u>	<u>\$ 62,046</u>	<u>\$ 56,956</u>	<u>\$ 2,260,772</u>

The accompanying notes are an integral part of the financial statements.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2011**

Net change in fund balance (page 38) **\$ 399,320**

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

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense.

Capital outlay	\$ 720	
Depreciation	<u>(67,600)</u>	(66,880)

Some receivables will not be collected for several months
after fiscal year end, so they are not considered as
"available" revenues in the governmental funds, and
they are instead counted as deferred revenues. They
are, however, recorded as revenues in the Statement
of Activities. (4,947)

Some 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.
These expenses consist of an increase in OPEB expense. (2,403)

Change in net assets of governmental activities (page 35) **\$ 325,090**

The accompanying notes are an integral part of the financial statements.

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
 June 30, 2011

	Business-Type Activities - Enterprise Fund <u>Inservice</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ <u>124,860</u>
LIABILITIES	
Current liabilities:	
Due to other governments	<u>2,626</u>
NET ASSETS	
Unrestricted	\$ <u>122,234</u>

The accompanying notes are an integral part of the financial statements.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2011**

	Business-Type Activities - Enterprise Fund <u>Inservice</u>
OPERATING REVENUES:	
Local sources	\$ <u>39,992</u>
OPERATING EXPENSES:	
Salaries	2,950
Employee benefits	3,533
Purchased services	27,477
Supplies and materials	26,370
Payments to other governments	8,016
Capital outlay	<u>720</u>
Total operating expenses	<u>69,066</u>
Operating loss before transfers	<u>(29,074)</u>
TRANSFERS:	
Transfer in	3,037
Transfer out	<u>(40)</u>
Total transfers	<u>2,997</u>
CHANGE IN NET ASSETS	(26,077)
TOTAL NET ASSETS, BEGINNING OF YEAR	<u>148,311</u>
TOTAL NET ASSETS, END OF YEAR	<u>\$ 122,234</u>

The accompanying notes are an integral part of the financial statements.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2011**

	Business-Type Activities - Enterprise Fund <u>Inservice</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from workshops	\$ 39,992
Payments to suppliers and providers of goods and services	(61,114)
Payments to employees	(6,483)
Net cash used in operating activities	<u>(27,605)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfer from other funds	3,037
Transfer to other funds	(40)
Net cash provided by noncapital financing activities	<u>2,997</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(24,608)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>149,468</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 124,860</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (29,074)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in accounts payable	<u>1,469</u>
Net cash used in operating activities	<u>\$ (27,605)</u>

The accompanying notes are an integral part of the financial statements.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2011**

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 20,383
Due from other governments	<u>315,484</u>
TOTAL ASSETS	<u>\$ 335,867</u>
LIABILITIES	
Due to other governments	<u>\$ 335,867</u>

The accompanying notes are an integral part of the financial statements.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is an entity that is a result of an Educational Service Region becoming a Regional Office of Education as of August 7, 1995. The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 operates under the School Code (105 ILCS 5/3 and 5/3A). The Regional Office of Education #17 encompasses DeWitt, Livingston, and McLean Counties in Illinois. A Regional Superintendent of Schools serves as chief administrative officer and is elected pursuant to 105 ILCS 5/3 and 5/3A of the School Code. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17's reporting entity includes all related organizations for which the Regional Office of Education #17 exercises oversight responsibility in accordance with Statement No. 14 of the Governmental Accounting Standards Board.

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

The Superintendent has developed criteria to determine whether outside agencies with activities which benefit the citizens served by the Regional Office of Education #17 should be included within its financial reporting entity. The criteria includes, but is not limited to whether the Superintendent (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (i.e., financial budget approval, management of assets, etc.). The Superintendent has determined that no outside agency meets the above criteria and, therefore, no agency has been included as a component unit in the financial statements. In addition, the Superintendent is not aware of any entity which would exercise such oversight which would result in the Regional Office of Education #17 being considered a component unit of the entity.

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the activities of DeWitt, Livingston, and McLean Counties Regional Office of Education #17. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by intergovernmental and local revenues.

The Statement of Net Assets presents DeWitt, Livingston, and McLean Counties Regional Office of Education #17's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for any debt attributable to the acquisition, construction or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column within the governmental funds in the financial section of the basic financial statements and are detailed in the supplemental information.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 reports the following major governmental funds:

The General Fund is the operating fund of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17. The General Fund accounts for all financial resources except those required to be accounted and reported for in another fund. The following funds are the general funds of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17.

County Fund - this fund accounts for DeWitt, Livingston, and McLean Counties support which helps fund the operation of the Regional Office of Education #17.

Indirect Cost and Interest Fund - this fund accounts for indirect cost allowed by the Adult Education Grants.

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

Regional Alternative School - this is a state-wide program leading to a high school diploma for students with truancy and discipline problems.

Penny Severns Grant - this is a summer program designed to serve 30 families with children aged 6 weeks to 12 years who are currently enrolled in English as a second language. The families are assisted with reading, writing, and parenting skills.

Partnering No Child Left Behind (NCLB) - this program provides schools within the region with online resources for the use of the students.

Induction Leadership - this program develops educational materials that support a statewide program based on the Illinois State Board of Education initiative "Induction and Mentoring for Education Administrators".

Implementing Math - this program integrates Mathematics Performance Descriptors and Classroom Assessment into the classroom, as well as, preparing training materials for statewide workshops.

Chestnut - this is a contract with a local drug/alcohol rehabilitation center for GED preparation services.

Donations Literacy Inservice - this program is funded by corporate and private sources to facilitate learning projects in literacy, GED, and English as a Second Language classes.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Youthbuild - this program is funded by local organizations dedicated to rehabilitation, education, and development of job skills for students.

Youth Impact - this program is a cooperative between the cities of Normal, Bloomington, and McLean County to prevent and assist individuals in staying away from gang activity.

Scoop Dreams GED - Scoop Dreams, an ice cream parlor, contracts with the Adult Education Department of the Regional Office of Education #17 to provide GED preparation for students.

Ross Grant - this program provides adult education classes in public housing facilities, which may include transportation and childcare for housing residents while taking classes.

Good Neighbor Program - State Farm Companies Foundation provides financial support to our STAR Literacy to enhance volunteer efforts in the community.

Reluctant Learner - this hands-on training engages educators by showing them how to use the entire Internet to search lesson plan databases, directories, and search engines to quickly and systematically capture lesson plans that will motivate their students.

Illinois Educators' Roundtable - this program is for a group of superintendents to meet on emerging issues affecting the education system.

EIU Cohort - this program provides a three semester hour graduate course to teachers in an agreement with Eastern Illinois University.

College Credit - this program provides professional development through colleges.

ISU Cohort - this program serves as a fiscal agent for classes in agreement with Illinois State University.

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:

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Education Fund - to account for State and Federal grant monies received for, and payment of, administering numerous grant awards which include:

Department of Rehabilitation Services (D.O.R.S.) Program Step Grant - this program is for severely handicapped students making the transition from high school to the work place.

Secretary of State's Literacy Grant - this program supports literacy activities from the Secretary of State.

Truants Alternative/Optional Education - this program assists in prevention of truancy within the Alternative School.

Adult Education Programs - this program is funded by the Illinois Community College Board to assist individuals with literacy, GED prep, and English as a Second Language classes.

SOS Family Literacy - this program serves parents and their children ages 0 to 5 who are enrolled in Evenstart or Heartland Head Start to provide activities that encourage literacy development and enable parents to be their child's first and best teacher through workshops, field trips, and a partnership with the public libraries to provide activities.

ROE/ISC School Improvement - this program provides training and reading workshops for local teachers.

Early Childhood Block Grant - this program offers intensive home visits, drop in and play sessions, parent education, hospital consultations, and referrals for at risk children.

Evenstart Family Literacy - this program provides early childhood education, adult English as a Second Language education, parenting and parent-child interactions for low income and limited English speaking families with children aged 6 weeks to 3 years.

English Language Civics Grant - this program provides immigrants and other limited English proficient persons with skills to understand and navigate governmental workplace systems and key institutions, such as banking and healthcare.

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Illinois Violence Prevention Authority - this program assists in prevention of domestic violence.

Title I - Reading First - SEA Part B - this program assists K-2 teachers with professional development and the 5 essential components of early reading instruction.

Continuum of Care - this program assists participants in obtaining and remaining in permanent housing.

Heart of Illinois Low Incidence - this program promotes, establishes, and maintains comprehensive special education services for children with hearing, vision, and physical disabilities.

ROE/ISC Operations Fund - this fund accounts for the State grant that provides the funding for the Regional Office of Education #17.

Title I Neglect - this program provides a teacher for the Juvenile Detention Center for GED preparation classes.

Illinois Reading Grant - this program provides standards aligned for reading teachers.

Standards Aligned Classroom - this program provides standards aligned classroom initiatives, coaching, and support teams.

Title II Teacher Quality - this program provides teacher workshops.

Teacher Mentoring - this program is used for new teacher training.

Manufacturing Innovation - this program provides assistance to students who need increased basic skills to pass the entrance test to enter Manufacturing Essentials at Heartland Community College.

Title I Migrant Education - this program assists with the educational needs for the agricultural migrant population in the region for the summer.

Respro Title I - this program assists local school districts with school improvement planning and activities related to Title I instruction.

Gifted Education - this program provides professional development for teachers in the gifted areas.

Principal Mentoring - this program provides mentoring for new principals.

SCORE United Way - this program provides assistance to students from United Way.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

HUD Technology Grant - this grant is for technology purposes with the City of Bloomington.

McKinney Homeless Grant - this program assists with the federal requirement to provide support to homeless students and their families to remove barriers to attending school while displaced.

Transitional Specialist - this program is administered by Illinois Department of Human Services to provide support for Individualized Education Plan (IEP) students to transition from high school to higher education and/or adult employment.

Illinois Children's Healthcare Foundation - this program provides resources to overcome barriers to address children's mental health issues.

American Recovery and Reinvestment Act (ARRA) - Title I School Improvement - allocations utilized specifically to assist low-performing schools/districts to increase student achievement through school improvement activities.

The Regional Office of Education #17 reports the following nonmajor governmental funds:

Nonmajor 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 legally restricted to expenditures for specified purposes. Nonmajor special revenue funds include the following:

Bus Driver Training - this fund accounts for State and local receipts and expenses as a result of training school district bus drivers.

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

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

The Regional Office of Education #17 reports the following major proprietary fund:

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education #17 on a cost reimbursement basis are reported.

Inservice - used to account for the workshop fees and expenses of the Regional Office of Education #17.

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Regional Office of Education #17 also reports the following agency funds:

Agency Funds are used to account for assets held by the Regional Office of Education #17 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds include the following:

Distributive - this fund distributes money received from the State out to the school districts and other entities.

Regional Board of School Trustees - this fund accounts for the Regional Office of Education's operating accounts.

Cooperative Purchasing - this fund is used to purchase paper and supplies in quantity as a single unit by participating schools in the Regional Office of Education #17.

The school district boards within the Regional Office of Education #17 have signed formal agreements that allow the Regional Office of Education #17 to retain any interest earned during the year.

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 provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end. Revenues received more than 60 days after the end of the current period are deferred in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements.

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the DeWitt, Livingston, and McLean Counties Regional Office of Education #17.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 records on-behalf payments made by the State to the Teachers' Retirement System as revenue and expenditures.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Capital asset acquisitions are reported as expenditures in governmental funds.

Under the terms of grant agreements, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 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 sources available to finance the program. It is DeWitt, Livingston, and McLean Counties Regional Office of Education #17's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues. It is the Regional Office of Education #17's policy to first apply restricted funds, then unrestricted. For unrestricted fund balance, committed funds are used first, then assigned funds, then unassigned if any.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 maintains its financial records on the cash basis. The financial statements of DeWitt, Livingston, and McLean Counties Regional Office of Education #17 are prepared by making memorandum adjusting entries to the cash basis financial records.

Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the balance sheet:

Cash and investments - The cash and investment balances of DeWitt, Livingston, and McLean Counties Regional Office of Education #17 are valued at cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Due from other governments - Due from other governments represents amounts due from the Illinois State Board of Education and other local governments.

Capital assets - Capital assets, which include property, furniture and equipment, are reported in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by DeWitt, Livingston, and McLean Counties Regional Office of Education #17 as assets with an initial, individual cost in excess of \$500 and estimated useful lives in excess of two years. Capital assets are depreciated using the straight line method over 3-50 years.

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Compensated absences - Non-certified and certified employees who work 12 calendar months earn up to 20 vacation days for a full year of service. The accumulated total of vacation days may never exceed 30 days. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days. Employees receive up to 12 sick days annually and the unused portion is accumulated up to 180 days and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay and therefore; no liability is accrued. There are no material accumulations of sick pay or vacation pay at June 30, 2011.

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

Nonspendable Fund Balance - the portion of a Governmental Fund's net assets that are not available to be spent, either short term or long term, in either form or through legal restrictions. There are currently no funds with nonspendable fund balances.

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Fund Balance - the portion of a Governmental Fund's net assets that are subject to external enforceable legal restrictions. The following accounts fund balances are restricted by grant agreements or contracts: D.O.R.S. Program Step Grant, SOS Family Literacy, ROE/ISC School Improvement, English Language Civics Grant, Illinois Violence Prevention Authority, Heart of Illinois Low Incidence, ROE/ISC Operations Fund, Title I Neglect, Illinois Reading Grant, Standards Aligned Classroom, Manufacturing Innovation, and SCORE United Way. The following funds are restricted by Illinois Statute: Institute Fund, Bus Driver Training, General Education Development, and Supervisory.

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

Assigned Fund Balance - the portion of a Governmental Fund's net assets 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 Illinois Educators' Roundtable fund balance is currently assigned.

Unassigned Fund Balance - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following accounts comprise unassigned fund balance: County Fund, Indirect Cost and Interest Fund, Regional Safe Schools, Regional Alternative School, Penny Severns Grant, Partnering NCLB, Induction Leadership, Implementing Math, Chestnut, Donations Literacy Inservice, Youthbuild, Youth Impact, Scoop Dreams GED, Ross Grant, State Farm Grants, Reluctant Learner, EIU Cohort, College Credit, ISU Cohort, Secretary of State's Literacy Grant, Truants Alternative/Optional Education, Adult Education Programs, Early Childhood Block Grant, Evenstart Family Literacy, Title I - Reading First - SEA Part B, Continuum of Care, Teacher Mentoring, Title I Migrant Education, Gifted Education, Principal Mentoring, HUD Technology Grant, McKinney Homeless Grant, Transitional Specialist, Illinois Children's Healthcare Foundation, and ARRA Title I - School Improvement.

Net assets present the difference between assets and liabilities in the Statement of Net Assets. Net assets of the Regional Office of Education are classified as follows:

Invested in Capital Assets - represents the Regional Office of Education's total investment in capital assets.

Restricted Net Assets - represents net assets that are restricted due to constraints placed on the net asset use that are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unrestricted Net Assets - represents resources used for transactions relating to the general operations of the Regional Office of Education and may be used at the discretion of management to meet expenses for any purpose.

Budgets and Budgetary Accounting

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 prepares a budget for each of its grants and for the support it receives from its three counties. Some of these budgets cover different periods than the Regional Office of Education #17's fiscal year.

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17's accounting records must be sophisticated enough to both (1) assure and demonstrate compliance with each budget during the period it covers and (2) also permit the reporting of the financial position and results of operations of each fund and fund type in GAAP financial statements covering its fiscal year.

Budgetary comparisons and budgetary compliance are discussed in Note 7 - Budgetary Comparisons and Budgetary Compliance.

Subsequent Events

Management has evaluated subsequent events through April 17, 2012, the date the financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

The deposit of DeWitt, Livingston, and McLean Counties Regional Office of Education #17 monies is governed by the provisions of the Illinois Compiled Statutes.

Deposits

At June 30, 2011, the carrying amount of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's deposits was \$2,107,271 and the bank balance was \$2,900,481.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, DeWitt, Livingston, and McLean Counties Regional Office of Education #17's deposits may not be returned. DeWitt, Livingston, and McLean Counties Regional Office of Education #17 does not have a deposit policy for custodial credit risk. As of June 30, 2011, all of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's deposits were covered by FDIC insurance or covered by collateral held by the financial institution in DeWitt, Livingston, and McLean Counties Regional Office of Education #17's name.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

A reconciliation of cash as shown on the Statement of Net Assets for the primary government is as follows:

	<u>Carrying Amount</u>
Cash - Primary Government	\$ 2,086,888
Cash - Agency	<u>20,383</u>
Total	<u>\$ 2,107,271</u>

NOTE 3 - ON-BEHALF PAYMENTS

The salaries and fringe benefits of the Regional Superintendent and the Assistant Regional Superintendent are paid by the State of Illinois.

The breakdown of on-behalf payments for the year ended June 30, 2011 is as follows:

Regional Superintendent - salary	\$ 100,762
Regional Superintendent - benefits (includes state paid insurance)	16,345
Assistant Regional Superintendent - salary	90,686
Assistant Regional Superintendent - benefits (includes state paid insurance)	25,008
TRS on-behalf payments	263,342
THIS on-behalf payments	<u>8,347</u>
Total on-behalf payments	<u>\$ 504,490</u>

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

NOTE 4 - EMPLOYEE BENEFIT PLAN

The Regional Office of Education #17's employees are covered under the Illinois Municipal Retirement Fund. Contributions to the Fund are made by DeWitt, Livingston, and McLean Counties and the Regional Office of Education #17 through grant monies on behalf of the DeWitt, Livingston, and McLean Counties Regional Office of Education staff employees and grant coordinators.

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 4 - EMPLOYEE BENEFIT PLAN (CONTINUED)

DeWitt, Livingston, and McLean Counties are participating members of the Illinois Municipal Retirement Fund whose coverage includes all Regional Office of Education #17 employees who:

- a. Occupy a job normally requiring 1,000 hours or more per year;
- b. are paid on a regular payroll from County or Regional Office of Education #17 funds;
- c. were under age sixty when first entering employment; and
- d. are not covered by another State created retirement system for the same service.

Employees not qualifying above are considered as "nonparticipating employees" and are covered under Social Security.

The Superintendent of DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is paid by the State of Illinois. Certain staff employees of the Regional Office of Education #17's office are employed and paid by DeWitt, Livingston, and McLean Counties (other support staff and grant coordinators are paid by the Region through grant monies). DeWitt, Livingston, and McLean Counties Regional Office of Education #17 has no separate employee benefit plan.

Illinois Municipal Retirement Fund

Plan Description. The Regional Office of Education #17's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #17's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the Regional Office of Education #17'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 2010 used by Regional Office of Education #17 was 12.82 percent of annual covered payroll. The Regional Office of Education #17's annual required contribution rate for calendar year 2010 was 13.05 percent. The Regional Office of Education #17 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For calendar year ending December 31, 2010, the Regional Office of Education #17's actual contributions for pension cost for the Regular plan were \$159,902. Its required contribution for calendar year 2010 was \$162,771.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 4 - EMPLOYEE BENEFIT PLAN (CONTINUED)

THREE YEAR TREND INFORMATION FOR THE REGULAR PLAN

<u>Calendar Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/10	\$ 162,771	98%	\$ 2,869
12/31/09	125,709	100%	-
12/31/08	110,800	100%	-

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, 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 the Regional Office of Education #17's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education #17's Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 10 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 66.74 percent funded. The actuarial accrued liability for benefits was \$2,440,889 and the actuarial value of assets was \$1,629,018, resulting in an underfunded actuarial accrued liability (UAAL) of \$811,871. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$1,247,286 and the ratio of the UAAL to the covered payroll was 65 percent.

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

NOTE 5 - RETIREMENT PLANS

Teachers' Retirement System of the State of Illinois

The Regional Office of Education #17 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.

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 5 - RETIREMENT PLANS (CONTINUED)

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

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2011, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after Jan. 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, 2010 and 2009.

The state of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #17's TRS-covered employees.

- **On-behalf Contributions.** The state of Illinois makes employer pension contributions on behalf of the Regional Office of Education #17. For the year ended June 30, 2011, the state of Illinois contributions were based on 23.10 percent of creditable earnings not paid from federal funds and the Regional Office of Education #17 recognized revenue and expenditures of \$263,342 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2010 and June 30, 2009 the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.38 percent (\$283,985) and 17.08 percent (\$211,803), respectively.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 makes other types of employer contributions directly to TRS.

- **2.2 Formula Contributions.** Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2011 were \$5,502. Contributions for the years ending June 30, 2010 and June 30, 2009 were \$5,935 and \$7,192, 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 #17, there is a statutory requirement for the Regional Office of Education #17 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in 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 for TRS.

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 5 - RETIREMENT PLANS (CONTINUED)

For the year ended June 30, 2011, the employer pension contribution was 23.10 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2010 and 2009, the employer contribution was 23.38 and 17.08 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2011, there were no salaries eligible for federal and special trust funds contributions for employees. For the years ended June 30, 2010 and June 30, 2009, required employer contributions were \$0 and \$33,265, respectively.

- **Early Retirement Option.** The Regional Office of Education #17 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 is 117.5 percent and applies when the member is age 55 at retirement. For the years ended June 30, 2011, June 30, 2010 and June 30, 2009, the Regional Office Education #17 paid no ERO contributions.
- **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, 2011, June 30, 2010, and June 30, 2009, the Regional Office of Education #17 did not make any contributions to TRS for salary increases in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.03 percent of salary during the year ended June 30, 2011, as recertified pursuant to Public Act 96-1511). For the years ended June 30, 2011, June 30, 2010, and June 30, 2009, the Regional Office of Education #17 did not make any contributions to TRS for sick leave days granted in excess of the normal annual allotment.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS Comprehensive Annual Financial Report for the year ended June 30, 2010. The report for the year ended June 30, 2011, is expected to be available in late 2011.

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>.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Regional Office of Education #17 provides postemployment health care benefits (OPEB) for eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Regional Office of Education #17 and can be amended by the Regional Office of Education #17 through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and Illinois Compiled Statutes (ILCS). The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Regional Office of Education #17's governmental funds.

Benefits Provided

The Regional Office of Education #17 provides continued health insurance coverage at the blended employer rate to all eligible retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the Regional Office of Education #17 retirement plan. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan, but can purchase a Medicare supplement plan from the Regional Office of Education #17 insurance provider.

Membership

At June 1, 2011, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	1
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	<u>38</u>
Total	<u>39</u>
Participating Employers	1

Funding Policy

The Regional Office of Education #17 is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Costs and Net OPEB Obligation

The Regional Office of Education #17 first had an actuarial valuation performed for the plan as of June 30, 2011 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended June 30, 2011. The Regional Office of Education #17's annual OPEB cost (expense) of \$9,854 was equal to the ARC for the fiscal year, as the transition liability was set at zero as of June 30, 2010. The Regional Office of Education #17's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year 2011 was as follows (information for the two preceding years is not available as an actuarial valuation was performed for the first time as of June 30, 2011):

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2011	\$ 9,854	\$ -	75.6%	\$ 2,403
Annual Required Contribution				\$ 9,854
Annual OPEB Cost				9,854
Contributions Made				<u>(7,451)</u>
Increase in Net OPEB Obligation				2,403
Net OPEB Obligation Beginning of Year				-
Net OPEB Obligation End of Year				<u>\$ 2,403</u>

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2011, was as follows:

Actuarial Accrued Liability (AAL)	\$125,262
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	125,262
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll (Active Plan Members)	\$3,253,278
UAAL as a Percentage of Covered Payroll	3.9%

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2011, actuarial valuation, the unit credit cost method was used. The actuarial assumptions included a discount rate of 5.00% and an initial healthcare cost trend rate of 8.00% with a ultimate healthcare inflation rate of 6.00% increase for 2015 and later years. Both rates include a 3.00% inflation assumption. The actuarial value of assets was not determined as the Regional Office of Education #17 has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized using a closed, level dollar method. The remaining amortization period at June 30, 2011 was 30 years.

Teachers Health Insurance Security Fund

The Regional Office of Education #17 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
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NOTES TO FINANCIAL STATEMENTS
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NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

- **On-behalf Contributions.** The state of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #17. State contributions are intended to match contributions to THIS Fund from active members which were 0.88 percent of pay during the year ended June 30, 2011. State of Illinois contributions were \$8,347, and the Regional Office of Education #17 recognized revenue and expenditures of this amount during the year. State contributions intended to match active member contributions during the year ended June 30, 2010 was 0.84 percent of pay. State contributions on behalf of the Regional Office of Education #17 employees were \$10,203. Had the Regional Office of Education #17 recognized revenue and expenditures for State contributions intended to match contributions during the year ended June 30, 2009, under the current standards, the contribution match would have been 0.84 percent of pay or \$12,025.
- **Employer Contributions.** The Regional Office of Education #17 also makes contributions to THIS Fund. The employer THIS fund contribution was 0.66 percent during the year ended June 30, 2011, and 0.63 percent during the years ended June 30, 2010, and June 30, 2009. For the year ended June 30, 2011, the Regional Office of Education #17 paid \$6,260 to the THIS Fund. For the years ended June 30, 2010 and June 30, 2009, the Regional Office of Education #17 paid \$6,446 and \$7,812 to the THIS Fund, respectively, which was 100 percent of the required contribution.

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 7 - BUDGETARY COMPARISONS AND BUDGETARY COMPLIANCE

To demonstrate compliance with applicable budgetary requirements, GAAP financial statements generally include comparisons of actual results of operations to budgeted amounts for individual funds for which a budget is adopted for the period covered by the budget. Regional Office of Education #17 did not formally adopt a budget for the year ended June 30, 2011 and is not legally required to do so. The Illinois State Board of Education requires budgets for certain state and federal programs. Budgets for the Regional Office of Education #17's state and federal grant funds cover various periods. Budgetary comparisons for those periods are presented on page 84 for the Regional Safe Schools and pages 99-103 for the following grants: Secretary of State's Literacy Grant, Truants Alternative/Optional Education, Adult Education Programs, SOS Family Literacy, Early Childhood Block Grant, Evenstart Family Literacy, English Language Civics Grant, Title I - Reading First - SEA Part B, ROE/ISC Operations Fund, Teacher Mentoring, Gifted Education, McKinney Homeless Grant, and ARRA Title I - School Improvement.

To qualify for reimbursement, grant expenditures must be obligated by the end of the applicable budget period and liquidated within 90 days thereafter.

To qualify for reimbursement, grant expenditures must also not exceed approved budgeted amounts for a particular function (Improvement of Instruction Services, General Administration, Fiscal Services, etc.) and object (Salaries, Employee Benefits, Purchased Services, etc.) account code combinations by the greater of \$1,000 or 20% of the approved budgeted amount. Amendments to shift amounts from one function/object account code combination to another must be submitted to the ISBE for approval by 30 days prior to the end of the applicable budget period.

All grant expenditure amounts for which the Regional Office of Education #17 claimed reimbursement, and for which grant revenue is reported in these financial statements, were obligated and liquidated on a timely basis. All such expenditure amounts were within the function/object account classification limits of final approved amended budgets.

NOTE 8 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2011 is as follows:

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
Governmental activities:				
Furniture and equipment	\$ 693,875	\$ 720	\$ -	\$ 694,595
Leasehold improvement	429,492	-	-	429,492
Less accumulated depreciation	(615,044)	(67,600)	-	(682,644)
Total capital assets, net	<u>\$ 508,323</u>	<u>\$ (66,880)</u>	<u>\$ -</u>	<u>\$ 441,443</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 8 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged as follows:

Governmental activities:

Education:

Depreciation

\$ 67,600

NOTE 9 - DISPOSITION OF DISTRIBUTIVE FUND INTEREST

The school district boards within the Regional Office of Education #17 have signed formal agreements that allow the Regional Office of Education #17 to retain any interest earned during the year.

NOTE 10 - OPERATING LEASES

The Regional Office of Education #17 entered into a lease for an Alternative School classroom and administrative space. The lease calls for monthly payments of \$7,527 beginning on July 1, 2002 for ten years with five one-year options. Beginning July 1, 2006, an additional 2% increase will occur every 2 years until lease termination. The lease calls for improvements to be made by the landlord and additional payments by the tenant. Total rental expense for the year ended June 30, 2011 was \$93,969.

The Regional Office of Education #17 entered into a lease for the Special Services program office complex. The lease calls for monthly payments of \$1,750 beginning on June 1, 2006 for eight years and then from year to year. Beginning June 1, 2007, the monthly payment increased to \$1,900. The lease calls for improvements to be made by the landlord and additional payments by the tenant. Total rental expense for the year ended June 30, 2011 was \$22,800.

The Regional Office of Education #17 entered into a lease for an Alternative School classroom and administrative space. The lease calls for monthly payments of \$2,000 beginning on August 1, 2007 for five years. The lease calls for improvements to be made by the landlord and additional payments by the tenant. Total rental expense for the year ended June 30, 2011 was \$24,000. See Note 8 - Capital Assets for more information regarding leasehold improvement.

The Regional Office of Education #17 entered into a lease for office space. The lease calls for monthly payments of \$6,405 beginning on January 1, 2011 and terminating on December 31, 2011. The lease calls for improvements to be made by the landlord and additional payments by the tenant. Total rental expense for the year ended June 30, 2011 was \$38,430.

The Regional Office of Education #17 entered into a lease for office space for the G.E.D. Adult Education Literacy Program. The lease calls for monthly payments of \$2,280 beginning on January 1, 2011 and terminating on December 31, 2011. The lease calls for improvements to be made by the landlord and additional payments by the tenant. Total rental expense for the year ended June 30, 2011 was \$13,680.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 10 - OPERATING LEASES (CONTINUED)

Future lease obligations are as follows:

<u>Year Ended June 30,</u>	
2012	\$ 194,757
2013	32,947
2014	<u>20,900</u>
Total	<u>\$ 248,604</u>

NOTE 11 - DUE FROM/TO OTHER GOVERNMENTS

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 has funds due from/to various other governmental units which consist of the following:

Due From Other Governments	
<u>General Fund</u>	
Illinois State Board of Education	\$ 50,489
Local governments	316,286
<u>Education Fund</u>	
Illinois State Board of Education	270,219
Local governments	295,051
<u>Agency Fund</u>	
Local governments	315,484
Due To Other Governments	
<u>General Fund</u>	
Local governments	\$ 13,836
<u>Education Fund</u>	
Local governments	146,065
<u>Other Nonmajor Funds</u>	
Local governments	1,026
<u>Inservice</u>	
Local governments	2,626
<u>Agency Fund</u>	
Local governments	335,867

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 12 - DUE FROM/TO FUNDS

Interfund receivables and payables, primarily made to cover cash deficits within pooled cash accounts, at June 30, 2011 were:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund		
Indirect Cost and Interest Fund	\$ -	\$ 7,045
Regional Alternative School	585,103	-
Penny Severns Grant	-	276
Implementing Math	-	1,452
Chestnut	-	59,690
Ross Grant	-	5,275
Reluctant Learner	-	3,195
Education Fund		
Secretary of State's Literacy Grant	-	120
Truants Alternative/Optional Education	-	74,896
Adult Education Programs	-	119,445
Early Childhood Block Grant	-	67,193
Evenstart Family Literacy	-	18,420
English Language Civics Grant	-	7,844
Title I - Reading First - SEA Part B	-	3
Continuum of Care	-	318
ROE/ISC Operations Fund	-	11,388
Teacher Mentoring	-	188
Title I Migrant Education	-	311
Respro Title I	-	68,944
Gifted Education	-	616
Principal Mentoring	-	17,106
HUD Technology Grant	-	6,779
McKinney Homeless Grant	-	1
Transitional Specialist	-	11,061
Illinois Children's Healthcare Foundation	-	37,129
ARRA Title I - School Improvement	-	66,408
Total	<u>\$ 585,103</u>	<u>\$ 585,103</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 13 - TRANSFERS

Transfers are generally made to provide supplemental funding or move resources from the fund required to collect the resources to the fund required to expend the resources. The detail of interfund transfers for the year ended June 30, 2011 is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Education Fund		
Title II Teacher Quality	\$ -	\$ 3,037
Respro Title I	40	-
Enterprise Fund		
Inservice	<u>3,037</u>	<u>40</u>
Total	<u>\$ 3,077</u>	<u>\$ 3,077</u>

NOTE 14 - DEFICIT FUND BALANCES

The following funds had deficit fund balances at June 30, 2011. The deficits will be covered by normal operations or fund transfers.

General Fund	
Indirect Cost and Interest Fund	\$ (15,587)
Penny Severns Grant	(276)
Implementing Math	(1,452)
Chestnut	(59,690)
Ross Grant	(5,275)
Reluctant Learner	(3,195)
Education Fund	
Secretary of State's Literacy Grant	(120)
Truants Alternative/Optional Education	(4,156)
Adult Education Programs	(112,569)
Early Childhood Block Grant	(896)
Evenstart Family Literacy	(18,420)
Title I - Reading First I - SEA Part B	(3)
Continuum of Care	(318)
Teacher Mentoring	(188)
Title I Migrant Education	(311)
Gifted Education	(616)
Principal Mentoring	(17,106)
HUD Technology Grant	(4,161)
McKinney Homeless Grant	(1)
Transitional Specialist	(2,108)
Illinois Children's Healthcare Foundation	(733)
ARRA Title I - School Improvement	(66,408)

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 15 - FUND RECLASSIFICATIONS

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 has reclassified funds within the governmental fund statements to more appropriately reflect the purpose of those funds. The impact of the fund reclassifications is an increase in the General Fund fund balance of \$1,714,503, and a decrease in the Education Fund fund balance of \$1,714,503. These reclassifications have no effect on the net change in fund balances or net assets.

NOTE 16 - RESTATEMENT OF BEGINNING FUND BALANCE

The Regional Office of Education #17 restated the following fund balance previously reported:

	<u>Regional Safe Schools</u>	<u>Regional Alternative School</u>	<u>Truants Alternative/ Optional Education</u>
Fund balance, June 30, 2010 as previously reported	\$ 99,653	\$ 1,444,956	\$ (20,721)
Accrued payroll and expenditures	<u>(96,593)</u>	<u>(73,323)</u>	<u>(8,048)</u>
Fund balance, July 1, 2010 as restated	<u>\$ 3,060</u>	<u>\$ 1,371,633</u>	<u>\$ (28,769)</u>
			<u>Governmental Activities</u>
Net assets, June 30, 2010, as previously reported			\$ 2,822,022
Accrued payroll and expenditures			<u>(177,964)</u>
Net assets, July 1, 2010, as restated			<u>\$ 2,644,058</u>

The restatements were to account for accrued payroll and expenditures that were actually incurred during fiscal year 2010.

NOTE 17 - RISK MANAGEMENT

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. DeWitt, Livingston, and McLean Counties Regional Office of Education #17 assumes liability for any deductibles and claims in excess of coverage limitations. There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the year.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 18 - NEW PRONOUNCEMENTS

In 2011, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, GASB Statement No. 59, *Financial Instruments Omnibus*, and GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Regional Office of Education #17 implemented these standards during the current year; however, GASB Statements No. 59 and 62 had no impact on the financial statements. The implementation of GASB Statement No. 54 changed fund balance reporting for governmental funds by adding some additional fund balance classifications, clarifying governmental fund type definitions, and providing additional disclosures on how fund balance constraints are imposed and may be modified or eliminated.

This information is an integral part of the accompanying financial statements.

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

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF FUNDING PROGRESS -
ILLINOIS MUNICIPAL RETIREMENT FUND
 (Unaudited)
 June 30, 2011

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS

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)
12/31/10	\$1,629,018	\$2,440,889	\$ 811,871	66.74%	\$1,247,286	65.09%
12/31/09	1,841,830	2,503,358	661,528	73.57%	1,079,046	61.31%
12/31/08	1,916,662	2,330,285	413,623	82.25%	967,688	42.74%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$1,767,610.
 On a market basis, the funded ratio would be 72.42%.

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF FUNDING PROGRESS -
OTHER POSTEMPLOYMENT BENEFITS
 (Unaudited)
 June 30, 2011

OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
06/30/11	\$ -	\$ 125,262	\$ 125,262	0.0%	\$3,253,278	3.9%

SUPPLEMENTAL INFORMATION

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND ACCOUNTS
 June 30, 2011

SCHEDULE 1

	<u>County Fund</u>	<u>Indirect Cost and Interest Fund</u>	<u>Regional Safe Schools</u>	<u>Regional Alternative School</u>	<u>Penny Severns Grant</u>
ASSETS					
Cash and cash equivalents	\$ 159,882	\$ -	\$ 177,319	\$ 895,901	\$ -
Due from other governments	-	-	50,489	316,286	-
Due from other funds	-	-	-	585,103	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 159,882	\$ -	\$ 227,808	\$ 1,797,290	\$ -
LIABILITIES AND FUND BALANCE (DEFICIT)					
LIABILITIES					
Accrued expenses	\$ -	\$ -	\$ 89,281	\$ 111,629	\$ -
Due to other governments	5,294	8,542	-	-	-
Due to other funds	-	7,045	-	-	276
Deferred revenue	-	-	8,947	-	-
Total liabilities	<hr/> 5,294	<hr/> 15,587	<hr/> 98,228	<hr/> 111,629	<hr/> 276
FUND BALANCE (DEFICIT)					
Assigned	-	-	-	-	-
Unassigned	154,588	(15,587)	129,580	1,685,661	(276)
Total fund balance (deficit)	<hr/> 154,588	<hr/> (15,587)	<hr/> 129,580	<hr/> 1,685,661	<hr/> (276)
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 159,882	\$ -	\$ 227,808	\$ 1,797,290	\$ -

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND ACCOUNTS
 June 30, 2011

SCHEDULE 1
 (CONTINUED)

	<u>Partnering NCLB</u>	<u>Induction Leadership</u>	<u>Implementing Math</u>	<u>Chestnut</u>	<u>Donations Literacy Inservice</u>
ASSETS					
Cash and cash equivalents	\$ 4,800	\$ 1,636	\$ -	\$ -	\$ 24,927
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ 4,800</u>	<u>\$ 1,636</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,927</u>
LIABILITIES AND FUND BALANCE (DEFICIT)					
LIABILITIES					
Accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	-
Due to other funds	-	-	1,452	59,690	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,452</u>	<u>59,690</u>	<u>-</u>
FUND BALANCE (DEFICIT)					
Assigned	-	-	-	-	-
Unassigned	4,800	1,636	(1,452)	(59,690)	24,927
Total fund balance (deficit)	<u>4,800</u>	<u>1,636</u>	<u>(1,452)</u>	<u>(59,690)</u>	<u>24,927</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 4,800</u>	<u>\$ 1,636</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,927</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND ACCOUNTS
 June 30, 2011

SCHEDULE 1
 (CONTINUED)

	<u>Youthbuild</u>	<u>Youth Impact</u>	<u>Scoop Dreams GED</u>	<u>Ross Grant</u>	<u>Good Neighbor Program</u>
ASSETS					
Cash and cash equivalents	\$ 14,861	\$ 15,553	\$ 2	\$ -	\$ 23,780
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ 14,861</u>	<u>\$ 15,553</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 23,780</u>
LIABILITIES AND FUND BALANCE (DEFICIT)					
LIABILITIES					
Accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	5,275	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,275</u>	<u>-</u>
FUND BALANCE (DEFICIT)					
Assigned	-	-	-	-	-
Unassigned	14,861	15,553	2	(5,275)	23,780
Total fund balance (deficit)	<u>14,861</u>	<u>15,553</u>	<u>2</u>	<u>(5,275)</u>	<u>23,780</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 14,861</u>	<u>\$ 15,553</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 23,780</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND ACCOUNTS
 June 30, 2011

SCHEDULE 1
 (CONTINUED)

	<u>Reluctant Learner</u>	<u>Illinois Educators' Roundtable</u>	<u>EIU Cohort</u>	<u>College Credit</u>	<u>ISU Cohort</u>	<u>Totals</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ 19,782	\$ 6,493	\$ 41,439	\$ 3,854	\$ 1,390,229
Due from other governments	-	-	-	-	-	366,775
Due from other funds	-	-	-	-	-	585,103
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ -	\$ 19,782	\$ 6,493	\$ 41,439	\$ 3,854	\$ 2,342,107
LIABILITIES AND FUND BALANCE (DEFICIT)						
LIABILITIES						
Accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,910
Due to other governments	-	-	-	-	-	13,836
Due to other funds	3,195	-	-	-	-	76,933
Deferred revenue	-	-	-	-	-	8,947
Total liabilities	<hr/> 3,195	<hr/> -	<hr/> -	<hr/> -	<hr/> -	<hr/> 300,626
FUND BALANCE (DEFICIT)						
Assigned	-	19,782	-	-	-	19,782
Unassigned	(3,195)	-	6,493	41,439	3,854	2,021,699
Total fund balance (deficit)	<hr/> (3,195)	<hr/> 19,782	<hr/> 6,493	<hr/> 41,439	<hr/> 3,854	<hr/> 2,041,481
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ -	\$ 19,782	\$ 6,493	\$ 41,439	\$ 3,854	\$ 2,342,107

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 Year Ended June 30, 2011

SCHEDULE 2

	<u>County Fund</u>	<u>Indirect Cost and Interest Fund</u>	<u>Regional Safe Schools</u>	<u>Regional Alternative School</u>	<u>Penny Severns Grant</u>
REVENUES:					
Local sources	\$ 440,674	\$ 5,174	\$ 19,742	\$ 249,219	\$ -
State sources	-	-	868,184	1,109,373	-
Federal sources	-	-	78,506	101,008	-
On-behalf payments	504,490	-	-	-	-
	<u>945,164</u>	<u>5,174</u>	<u>966,432</u>	<u>1,459,600</u>	<u>-</u>
EXPENDITURES:					
Instructional services:					
Salaries	261,902	4,700	528,121	740,788	-
Employee benefits	85,605	340	99,757	180,347	-
Purchased services	89,687	11,156	161,978	51,642	-
Supplies and materials	4,653	274	37,531	1,874	-
Payments to other governments	-	-	-	170,897	-
Other objects	134	-	-	24	-
On-behalf payments	504,490	-	-	-	-
Capital outlay	-	1,720	12,525	-	-
	<u>946,471</u>	<u>18,190</u>	<u>839,912</u>	<u>1,145,572</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	(1,307)	(13,016)	126,520	314,028	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED	<u>155,895</u>	<u>(2,571)</u>	<u>3,060</u>	<u>1,371,633</u>	<u>(276)</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 154,588</u>	<u>\$ (15,587)</u>	<u>\$ 129,580</u>	<u>\$ 1,685,661</u>	<u>\$ (276)</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 Year Ended June 30, 2011

SCHEDULE 2
 (CONTINUED)

	<u>Partnering</u>	<u>Induction</u>	<u>Implementing</u>	<u>Chestnut</u>	<u>Donations</u>
	<u>NCLB</u>	<u>Leadership</u>	<u>Math</u>		<u>Literacy</u>
					<u>Inservice</u>
REVENUES:					
Local sources	\$ -	\$ 1,799	\$ -	\$ 238,824	\$ 1,980
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
On-behalf payments	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	1,799	-	238,824	1,980
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES:					
Instructional services:					
Salaries	-	-	-	241,928	1,037
Employee benefits	-	-	-	49,017	-
Purchased services	-	-	-	5,174	4,596
Supplies and materials	-	1,799	-	4,438	422
Payments to other governments	-	-	-	-	-
Other objects	-	-	-	-	-
On-behalf payments	-	-	-	-	-
Capital outlay	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	1,799	-	300,557	6,055
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	-	(61,733)	(4,075)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED	4,800	1,636	(1,452)	2,043	29,002
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE (DEFICIT), END OF YEAR	\$ 4,800	\$ 1,636	\$ (1,452)	\$ (59,690)	\$ 24,927
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 Year Ended June 30, 2011

SCHEDULE 2
 (CONTINUED)

	<u>Youthbuild</u>	<u>Youth Impact</u>	<u>Scoop Dreams GED</u>	<u>Ross Grant</u>	<u>Good Neighbor Program</u>
REVENUES:					
Local sources	\$ -	\$ 15,000	\$ -	\$ -	\$ 8,491
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
On-behalf payments	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	15,000	-	-	8,491
EXPENDITURES:					
Instructional services:					
Salaries	-	590	-	-	5,346
Employee benefits	-	45	-	-	1,282
Purchased services	-	14,910	-	-	-
Supplies and materials	-	676	-	-	2,414
Payments to other governments	-	-	-	-	-
Other objects	-	-	-	-	-
On-behalf payments	-	-	-	-	-
Capital outlay	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	16,221	-	-	9,042
NET CHANGE IN FUND BALANCE (DEFICIT)	-	(1,221)	-	-	(551)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	14,861	16,774	2	(5,275)	24,331
FUND BALANCE (DEFICIT), END OF YEAR	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 14,861	\$ 15,553	\$ 2	\$ (5,275)	\$ 23,780

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 Year Ended June 30, 2011

SCHEDULE 2
 (CONTINUED)

	<u>Reluctant Learner</u>	<u>Illinois Educators' Roundtable</u>	<u>EIU Cohort</u>	<u>College Credit</u>	<u>ISU Cohort</u>	<u>Totals</u>
REVENUES:						
Local sources	\$ -	\$ 5,513	\$ 13,150	\$ 35,555	\$ -	\$ 1,035,121
State sources	-	-	-	-	-	1,977,557
Federal sources	-	-	-	-	-	179,514
On-behalf payments	-	-	-	-	-	504,490
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	5,513	13,150	35,555	-	3,696,682
EXPENDITURES:						
Instructional services:						
Salaries	-	-	-	-	-	1,784,412
Employee benefits	-	-	-	-	-	416,393
Purchased services	-	1,127	39,109	25,710	-	405,089
Supplies and materials	-	12	-	511	-	54,604
Payments to other governments	-	-	-	-	8,666	179,563
Other objects	-	-	-	-	-	158
On-behalf payments	-	-	-	-	-	504,490
Capital outlay	-	-	-	-	-	14,245
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	1,139	39,109	26,221	8,666	3,358,954
NET CHANGE IN FUND BALANCE (DEFICIT)	-	4,374	(25,959)	9,334	(8,666)	337,728
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED	<hr/> <u>(3,195)</u>	<hr/> <u>15,408</u>	<hr/> <u>32,452</u>	<hr/> <u>32,105</u>	<hr/> <u>12,520</u>	<hr/> <u>1,703,753</u>
FUND BALANCE (DEFICIT), END OF YEAR	<hr/> <u>\$ (3,195)</u>	<hr/> <u>\$ 19,782</u>	<hr/> <u>\$ 6,493</u>	<hr/> <u>\$ 41,439</u>	<hr/> <u>\$ 3,854</u>	<hr/> <u>\$ 2,041,481</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND ACCOUNTS
 Year Ended June 30, 2011

	Regional Safe Schools			Variance with Final Budget
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES:				
Local sources	\$ -	\$ -	\$ 19,742	\$ 19,742
State sources	161,043	161,043	868,184	707,141
Federal sources	-	-	78,506	78,506
Total revenues	<u>161,043</u>	<u>161,043</u>	<u>966,432</u>	<u>805,389</u>
EXPENDITURES:				
Instructional services:				
Salaries	69,271	69,271	528,121	(458,850)
Employee benefits	15,440	15,440	99,757	(84,317)
Purchased services	76,332	76,332	161,978	(85,646)
Supplies and materials	-	-	37,531	(37,531)
Capital outlay	-	-	12,525	(12,525)
Total expenditures	<u>161,043</u>	<u>161,043</u>	<u>839,912</u>	<u>(678,869)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	126,520	<u>\$ 126,520</u>
FUND BALANCE, BEGINNING OF YEAR AS RESTATED			<u>3,060</u>	
FUND BALANCE, END OF YEAR			<u>\$ 129,580</u>	

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2011

SCHEDULE 4

	<u>D.O.R.S.</u>	<u>Secretary</u>	<u>Truants</u>	<u>Adult</u>	<u>SOS</u>
	<u>Program</u>	<u>of State's</u>	<u>Alternative/</u>	<u>Education</u>	<u>Family</u>
	<u>Step</u>	<u>Literacy</u>	<u>Optional</u>	<u>Programs</u>	<u>Literacy</u>
	<u>Grant</u>	<u>Grant</u>	<u>Education</u>		
ASSETS					
Cash and cash equivalents	\$ 11,779	\$ -	\$ -	\$ -	\$ 2,750
Due from other governments	-	-	74,901	147,172	-
TOTAL ASSETS	<u>\$ 11,779</u>	<u>\$ -</u>	<u>\$ 74,901</u>	<u>\$ 147,172</u>	<u>\$ 2,750</u>
LIABILITIES AND FUND BALANCE (DEFICIT)					
LIABILITIES					
Accrued expenses	\$ -	\$ -	\$ -	\$ 3	\$ -
Due to other governments	-	-	-	287	-
Due to other funds	-	120	74,896	119,445	-
Deferred revenue	-	-	4,161	140,006	-
Total liabilities	<u>-</u>	<u>120</u>	<u>79,057</u>	<u>259,741</u>	<u>-</u>
FUND BALANCE (DEFICIT)					
Restricted	11,779	-	-	-	2,750
Unassigned	-	(120)	(4,156)	(112,569)	-
Total fund balance (deficit)	<u>11,779</u>	<u>(120)</u>	<u>(4,156)</u>	<u>(112,569)</u>	<u>2,750</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 11,779</u>	<u>\$ -</u>	<u>\$ 74,901</u>	<u>\$ 147,172</u>	<u>\$ 2,750</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2011

SCHEDULE 4
 (CONTINUED)

	<u>ROE/ISC</u>	<u>Early</u>	<u>Evenstart</u>	<u>English</u>	<u>Illinois</u>
	<u>School</u>	<u>Childhood</u>	<u>Family</u>	<u>Language</u>	<u>Violence</u>
	<u>Improvement</u>	<u>Block Grant</u>	<u>Literacy</u>	<u>Civics</u>	<u>Prevention</u>
				<u>Grant</u>	<u>Authority</u>
ASSETS					
Cash and cash equivalents	\$ 140	\$ -	\$ -	\$ -	\$ 6,945
Due from other governments	-	66,297	27,814	8,968	-
TOTAL ASSETS	<u>\$ 140</u>	<u>\$ 66,297</u>	<u>\$ 27,814</u>	<u>\$ 8,968</u>	<u>\$ 6,945</u>
LIABILITIES AND FUND BALANCE (DEFICIT)					
LIABILITIES					
Accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	-
Due to other funds	-	67,193	18,420	7,844	-
Deferred revenue	-	-	27,814	-	-
Total liabilities	-	67,193	46,234	7,844	-
FUND BALANCE (DEFICIT)					
Restricted	140	-	-	1,124	6,945
Unassigned	-	(896)	(18,420)	-	-
Total fund balance (deficit)	<u>140</u>	<u>(896)</u>	<u>(18,420)</u>	<u>1,124</u>	<u>6,945</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 140</u>	<u>\$ 66,297</u>	<u>\$ 27,814</u>	<u>\$ 8,968</u>	<u>\$ 6,945</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2011

SCHEDULE 4
 (CONTINUED)

	Title I - Reading First - SEA <u>Part B</u>	Continuum of Care	Heart of Illinois Low Incidence	ROE/ISC Operations Fund	Title I Neglect
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 320,833	\$ -	\$ 14,381
Due from other governments	-	-	-	34,799	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,799</u>	<u>-</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 320,833</u>	<u>\$ 34,799</u>	<u>\$ 14,381</u>
LIABILITIES AND FUND BALANCE (DEFICIT)					
LIABILITIES					
Accrued expenses	\$ -	\$ -	\$ -	\$ 149	\$ -
Due to other governments	-	-	145,778	-	-
Due to other funds	3	318	-	11,388	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>3</u>	<u>318</u>	<u>145,778</u>	<u>11,537</u>	<u>-</u>
FUND BALANCE (DEFICIT)					
Restricted	-	-	175,055	23,262	14,381
Unassigned	(3)	(318)	-	-	-
Total fund balance (deficit)	<u>(3)</u>	<u>(318)</u>	<u>175,055</u>	<u>23,262</u>	<u>14,381</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 320,833</u>	<u>\$ 34,799</u>	<u>\$ 14,381</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2011

SCHEDULE 4
 (CONTINUED)

	Illinois Reading <u>Grant</u>	Standards Aligned <u>Classroom</u>	Title II Teacher <u>Quality</u>	Teacher <u>Mentoring</u>	Manufacturing <u>Innovation</u>
ASSETS					
Cash and cash equivalents	\$ 2,290	\$ 8,948	\$ -	\$ -	\$ 79
Due from other governments	-	-	-	-	-
TOTAL ASSETS	<u>\$ 2,290</u>	<u>\$ 8,948</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79</u>
LIABILITIES AND FUND BALANCE (DEFICIT)					
LIABILITIES					
Accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	188	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>188</u>	<u>-</u>
FUND BALANCE (DEFICIT)					
Restricted	2,290	8,948	-	-	79
Unassigned	-	-	-	(188)	-
Total fund balance (deficit)	<u>2,290</u>	<u>8,948</u>	<u>-</u>	<u>(188)</u>	<u>79</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 2,290</u>	<u>\$ 8,948</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2011

SCHEDULE 4
 (CONTINUED)

	<u>Title I Migrant Education</u>	<u>Respro Title I</u>	<u>Gifted Education</u>	<u>Principal Mentoring</u>	<u>SCORE United Way</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 43,407
Due from other governments	-	68,944	-	22,000	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 68,944</u>	<u>\$ -</u>	<u>\$ 22,000</u>	<u>\$ 43,407</u>
LIABILITIES AND FUND BALANCE (DEFICIT)					
LIABILITIES					
Accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	-
Due to other funds	311	68,944	616	17,106	-
Deferred revenue	-	-	-	22,000	-
Total liabilities	<u>311</u>	<u>68,944</u>	<u>616</u>	<u>39,106</u>	<u>-</u>
FUND BALANCE (DEFICIT)					
Restricted	-	-	-	-	43,407
Unassigned	(311)	-	(616)	(17,106)	-
Total fund balance (deficit)	<u>(311)</u>	<u>-</u>	<u>(616)</u>	<u>(17,106)</u>	<u>43,407</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ 68,944</u>	<u>\$ -</u>	<u>\$ 22,000</u>	<u>\$ 43,407</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2011

SCHEDULE 4
 (CONTINUED)

	HUD Technology <u>Grant</u>	McKinney Homeless <u>Grant</u>	Transitional Specialist	Illinois Children's Healthcare <u>Foundation</u>	ARRA Title I - School <u>Improvement</u>	<u>Totals</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 411,552
Due from other governments	2,618	-	8,953	36,396	66,408	565,270
	<u>2,618</u>	<u>-</u>	<u>8,953</u>	<u>36,396</u>	<u>66,408</u>	<u>565,270</u>
TOTAL ASSETS	\$ 2,618	\$ -	\$ 8,953	\$ 36,396	\$ 66,408	\$ 976,822
LIABILITIES AND FUND BALANCE (DEFICIT)						
LIABILITIES						
Accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 152
Due to other governments	-	-	-	-	-	146,065
Due to other funds	6,779	1	11,061	37,129	66,408	508,170
Deferred revenue	-	-	-	-	66,408	260,389
Total liabilities	<u>6,779</u>	<u>1</u>	<u>11,061</u>	<u>37,129</u>	<u>132,816</u>	<u>914,776</u>
FUND BALANCE (DEFICIT)						
Restricted	-	-	-	-	-	290,160
Unassigned	(4,161)	(1)	(2,108)	(733)	(66,408)	(228,114)
Total fund balance (deficit)	<u>(4,161)</u>	<u>(1)</u>	<u>(2,108)</u>	<u>(733)</u>	<u>(66,408)</u>	<u>62,046</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 2,618	\$ -	\$ 8,953	\$ 36,396	\$ 66,408	\$ 976,822

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2011

SCHEDULE 5

	D.O.R.S. Program Step Grant	Secretary of State's Literacy Grant	Truants Alternative/ Optional Education	Adult Education Programs	SOS Family Literacy
REVENUES:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	21,015	65,000	91,466	149,060	32,850
Federal sources	49,202	-	-	85,995	-
Total revenues	<u>70,217</u>	<u>65,000</u>	<u>91,466</u>	<u>235,055</u>	<u>32,850</u>
EXPENDITURES:					
Instructional services:					
Salaries	-	43,336	46,839	222,532	21,540
Employee benefits	-	11,577	16,346	52,218	7,267
Purchased services	-	2,344	3,668	31,337	348
Supplies and materials	-	7,719	-	9,066	3,695
Payments to other governments	58,619	-	-	-	-
Other objects	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>58,619</u>	<u>64,976</u>	<u>66,853</u>	<u>315,153</u>	<u>32,850</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,598</u>	<u>24</u>	<u>24,613</u>	<u>(80,098)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	11,598	24	24,613	(80,098)	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED	<u>181</u>	<u>(144)</u>	<u>(28,769)</u>	<u>(32,471)</u>	<u>2,750</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 11,779</u>	<u>\$ (120)</u>	<u>\$ (4,156)</u>	<u>\$ (112,569)</u>	<u>\$ 2,750</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2011

SCHEDULE 5
 (CONTINUED)

	ROE/ISC School <u>Improvement</u>	Early Childhood <u>Block Grant</u>	Evenstart Family <u>Literacy</u>	English Language Civics <u>Grant</u>	Illinois Violence Prevention <u>Authority</u>
REVENUES:					
Local sources	\$ -	\$ -	\$ 10,000	\$ -	\$ -
State sources	-	196,098	-	-	24,620
Federal sources	-	-	137,648	107,610	-
Total revenues	<u>-</u>	<u>196,098</u>	<u>147,648</u>	<u>107,610</u>	<u>24,620</u>
EXPENDITURES:					
Instructional services:					
Salaries	-	101,255	107,925	78,990	14,660
Employee benefits	-	21,279	23,212	23,355	1,122
Purchased services	-	31,420	24,513	3,685	11,019
Supplies and materials	-	12,288	9,757	1,579	1,700
Payments to other governments	-	-	-	-	-
Other objects	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>166,242</u>	<u>165,407</u>	<u>107,609</u>	<u>28,501</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>29,856</u>	<u>(17,759)</u>	<u>1</u>	<u>(3,881)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	29,856	(17,759)	1	(3,881)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED	<u>140</u>	<u>(30,752)</u>	<u>(661)</u>	<u>1,123</u>	<u>10,826</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 140</u>	<u>\$ (896)</u>	<u>\$ (18,420)</u>	<u>\$ 1,124</u>	<u>\$ 6,945</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2011

SCHEDULE 5
 (CONTINUED)

	Title I - Reading First - SEA Part B	Continuum of Care	Heart of Illinois Low Incidence	ROE/ISC Operations Fund	Title I Neglect
REVENUES:					
Local sources	\$ -	\$ -	\$ 1,198,352	\$ -	\$ -
State sources	-	-	34,782	96,219	-
Federal sources	18,578	9,999	-	-	6,968
Total revenues	18,578	9,999	1,233,134	96,219	6,968
EXPENDITURES:					
Instructional services:					
Salaries	-	11,596	26,975	13,000	2,288
Employee benefits	-	2,514	9,879	5,300	483
Purchased services	14,523	-	900,524	60,499	-
Supplies and materials	4,058	-	-	-	-
Payments to other governments	-	-	232,867	-	-
Other objects	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	18,581	14,110	1,170,245	78,799	2,771
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3)	(4,111)	62,889	17,420	4,197
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	(3)	(4,111)	62,889	17,420	4,197
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED	-	3,793	112,166	5,842	10,184
FUND BALANCE (DEFICIT), END OF YEAR	\$ (3)	\$ (318)	\$ 175,055	\$ 23,262	\$ 14,381

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2011

SCHEDULE 5
 (CONTINUED)

	Illinois Reading <u>Grant</u>	Standards Aligned <u>Classroom</u>	Title II Teacher <u>Quality</u>	Teacher <u>Mentoring</u>	Manufacturing <u>Innovation</u>
REVENUES:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	145,155	-
Federal sources	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,155</u>	<u>-</u>
EXPENDITURES:					
Instructional services:					
Salaries	-	-	-	22,913	-
Employee benefits	-	-	-	1,753	-
Purchased services	-	-	-	11,552	-
Supplies and materials	-	-	-	9,023	-
Payments to other governments	-	-	-	33,300	-
Other objects	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,541</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,614</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(3,037)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(3,037)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	(3,037)	66,614	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED	<u>2,290</u>	<u>8,948</u>	<u>3,037</u>	<u>(66,802)</u>	<u>79</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 2,290</u>	<u>\$ 8,948</u>	<u>\$ -</u>	<u>\$ (188)</u>	<u>\$ 79</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2011

SCHEDULE 5
 (CONTINUED)

	Title I Migrant Education	Respro Title I	Gifted Education	Principal Mentoring	SCORE United Way
REVENUES:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 70,663
State sources	-	-	79,946	22,000	-
Federal sources	-	103,000	-	-	-
Total revenues	<u>-</u>	<u>103,000</u>	<u>79,946</u>	<u>22,000</u>	<u>70,663</u>
EXPENDITURES:					
Instructional services:					
Salaries	-	-	15,145	150	19,000
Employee benefits	-	-	1,159	4	545
Purchased services	-	9,988	-	20,709	17,933
Supplies and materials	-	41,652	5,673	478	7,785
Payments to other governments	-	51,360	58,585	-	-
Other objects	-	-	-	-	-
Capital outlay	-	-	-	-	1,952
Total expenditures	<u>-</u>	<u>103,000</u>	<u>80,562</u>	<u>21,341</u>	<u>47,215</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(616)</u>	<u>659</u>	<u>23,448</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	40	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>40</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>-</u>	<u>40</u>	<u>(616)</u>	<u>659</u>	<u>23,448</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED	<u>(311)</u>	<u>(40)</u>	<u>-</u>	<u>(17,765)</u>	<u>19,959</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (311)</u>	<u>\$ -</u>	<u>\$ (616)</u>	<u>\$ (17,106)</u>	<u>\$ 43,407</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2011

SCHEDULE 5
 (CONTINUED)

	HUD Technology Grant	McKinney Homeless Grant	Transitional Specialist	Illinois Children's Healthcare Foundation	ARRA Title I - School Improvement	Totals
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ 43,812	\$ -	\$ 1,322,827
State sources	-	-	-	-	-	958,211
Federal sources	14,670	28,277	32,899	-	51,134	645,980
Total revenues	<u>14,670</u>	<u>28,277</u>	<u>32,899</u>	<u>43,812</u>	<u>51,134</u>	<u>2,927,018</u>
EXPENDITURES:						
Instructional services:						
Salaries	10,867	18,302	23,000	-	10,600	810,913
Employee benefits	831	1,144	8,985	-	542	189,515
Purchased services	1,144	2,346	3,022	44,545	41,000	1,236,119
Supplies and materials	38	6,486	-	-	32,000	152,997
Payments to other governments	-	-	-	-	33,400	468,131
Other objects	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	1,952
Total expenditures	<u>12,880</u>	<u>28,278</u>	<u>35,007</u>	<u>44,545</u>	<u>117,542</u>	<u>2,859,627</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,790</u>	<u>(1)</u>	<u>(2,108)</u>	<u>(733)</u>	<u>(66,408)</u>	<u>67,391</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	40
Transfers out	-	-	-	-	-	(3,037)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,997)</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	1,790	(1)	(2,108)	(733)	(66,408)	64,394
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED	<u>(5,951)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,348)</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (4,161)</u>	<u>\$ (1)</u>	<u>\$ (2,108)</u>	<u>\$ (733)</u>	<u>\$ (66,408)</u>	<u>\$ 62,046</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2011

SCHEDULE 6

	Secretary of State's Literacy Grant				Truants Alternative/Optional Education				Adult Education Programs			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
REVENUES:												
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	65,000	65,000	65,000	-	74,901	74,901	91,466	16,565	227,217	227,217	149,060	(78,157)
Federal sources	-	-	-	-	-	-	-	-	85,995	85,995	85,995	-
Total revenues	65,000	65,000	65,000	-	74,901	74,901	91,466	16,565	313,212	313,212	235,055	(78,157)
EXPENDITURES:												
Instructional services:												
Salaries	42,268	42,268	43,336	(1,068)	55,759	55,759	46,839	8,920	230,770	230,770	222,532	8,238
Employee benefits	11,378	11,378	11,577	(199)	15,698	15,698	16,346	(648)	42,205	42,205	52,218	(10,013)
Purchased services	3,500	3,500	2,344	1,156	3,444	3,444	3,668	(224)	28,283	28,283	31,337	(3,054)
Supplies and materials	7,854	7,854	7,719	135	-	-	-	-	11,954	11,954	9,066	2,888
Payments to other governments	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	65,000	65,000	64,976	24	74,901	74,901	66,853	8,048	313,212	313,212	315,153	(1,941)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	24	\$ 24	\$ -	\$ -	24,613	\$ 24,613	\$ -	\$ -	(80,098)	\$ (80,098)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED			(144)				(28,769)				(32,471)	
FUND BALANCE (DEFICIT), END OF YEAR			\$ (120)				\$ (4,156)				\$(112,569)	

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2011

SCHEDULE 6
 (CONTINUED)

	SOS Family Literacy				Early Childhood Block Grant				Evenstart Family Literacy			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
REVENUES:												
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000
State sources	32,850	32,850	32,850	-	165,748	165,748	196,098	30,350	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	162,057	164,871	137,648	(27,223)
Total revenues	32,850	32,850	32,850	-	165,748	165,748	196,098	30,350	162,057	164,871	147,648	(17,223)
EXPENDITURES:												
Instructional services:												
Salaries	21,457	21,457	21,540	(83)	118,437	102,715	101,255	1,460	107,135	107,292	107,925	(633)
Employee benefits	7,450	7,450	7,267	183	28,297	26,196	21,279	4,917	20,472	23,530	23,212	318
Purchased services	500	500	348	152	13,054	25,877	31,420	(5,543)	26,300	23,435	24,513	(1,078)
Supplies and materials	3,443	3,443	3,695	(252)	5,960	10,960	12,288	(1,328)	8,150	10,614	9,757	857
Payments to other governments	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	32,850	32,850	32,850	-	165,748	165,748	166,242	(494)	162,057	164,871	165,407	(536)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -	\$ -	\$ -	29,856	\$ 29,856	\$ -	\$ -	(17,759)	\$ (17,759)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED			<u>2,750</u>				<u>(30,752)</u>				<u>(661)</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ 2,750</u>				<u>\$ (896)</u>				<u>\$ (18,420)</u>	

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2011

SCHEDULE 6
 (CONTINUED)

	English Language Civics Grant				Title I - Reading First - SEA Part B				ROE/ISC Operations Fund			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:												
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-	78,799	78,799	96,219	17,420
Federal sources	107,610	107,610	107,610	-	22,979	22,979	18,578	(4,401)	-	-	-	-
Total revenues	107,610	107,610	107,610	-	22,979	22,979	18,578	(4,401)	78,799	78,799	96,219	17,420
EXPENDITURES:												
Instructional services:												
Salaries	78,882	78,882	78,990	(108)	-	-	-	-	13,000	13,000	13,000	-
Employee benefits	23,930	23,930	23,355	575	-	-	-	-	5,300	5,300	5,300	-
Purchased services	1,225	1,225	3,685	(2,460)	16,479	16,479	14,523	1,956	60,499	60,499	60,499	-
Supplies and materials	3,573	3,573	1,579	1,994	6,500	6,500	4,058	2,442	-	-	-	-
Payments to other governments	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	107,610	107,610	107,609	1	22,979	22,979	18,581	4,398	78,799	78,799	78,799	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	1	\$ 1	\$ -	\$ -	(3)	\$ (3)	\$ -	\$ -	17,420	\$ 17,420
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED			<u>1,123</u>				<u>-</u>				<u>5,842</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ 1,124</u>				<u>\$ (3)</u>				<u>\$ 23,262</u>	

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2011

SCHEDULE 6
 (CONTINUED)

	Teacher Mentoring				Gifted Education				McKinney Homeless Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final			Original	Final		
REVENUES:												
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	165,880	165,880	145,155	(20,725)	112,788	112,788	79,946	(32,842)	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	23,251	24,306	28,277	3,971
Total revenues	165,880	165,880	145,155	(20,725)	112,788	112,788	79,946	(32,842)	23,251	24,306	28,277	3,971
EXPENDITURES:												
Instructional services:												
Salaries	35,000	55,875	22,913	32,962	45,000	24,978	15,145	9,833	16,908	19,448	18,302	1,144
Employee benefits	9,000	4,000	1,753	2,247	2,580	2,750	1,159	1,591	-	-	1,144	(1,144)
Purchased services	86,080	26,000	11,552	14,448	6,070	525	-	525	2,536	2,346	2,346	-
Supplies and materials	35,800	46,705	9,023	37,682	23,138	25,789	5,673	20,116	3,807	2,514	6,486	(3,972)
Payments to other governments	-	33,300	33,300	-	36,000	58,746	58,585	161	-	-	-	-
Total expenditures	165,880	165,880	78,541	87,339	112,788	112,788	80,562	32,226	23,251	24,306	28,278	(3,972)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	66,614	\$ 86,614	\$ -	\$ -	(616)	\$ (616)	\$ -	\$ -	(1)	\$ (1)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED			(66,802)									
FUND BALANCE (DEFICIT), END OF YEAR			\$ (188)				\$ (616)				\$ (1)	

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2011

SCHEDULE 6
 (CONTINUED)

	ARRA Title I - School Improvement				Total			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000
State sources	-	-	-	-	923,183	923,183	855,794	(67,389)
Federal sources	120,000	120,000	51,134	(68,866)	521,892	525,761	429,242	(96,519)
Total revenues	120,000	120,000	51,134	(68,866)	1,445,075	1,448,944	1,295,036	(153,908)
EXPENDITURES:								
Instructional services:								
Salaries	25,000	10,600	10,600	-	789,616	763,042	702,377	60,665
Employee benefits	6,590	3,000	542	2,458	172,900	165,437	165,152	285
Purchased services	18,000	41,000	41,000	-	265,970	233,113	227,235	5,878
Supplies and materials	19,690	32,000	32,000	-	129,869	161,906	101,344	60,562
Payments to other governments	50,720	33,400	33,400	-	86,720	125,446	125,285	161
Total expenditures	120,000	120,000	117,542	2,458	1,445,075	1,448,944	1,321,393	127,551
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(66,408)	\$ (66,408)	\$ -	\$ -	(26,357)	\$ (26,357)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED							(149,884)	
FUND BALANCE (DEFICIT), END OF YEAR			\$ (66,408)				\$ (176,241)	

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2011

SCHEDULE 7

ASSETS	<u>Bus Driver Training</u>	<u>General Education Development</u>	<u>Supervisory</u>	<u>Totals</u>
Cash and cash equivalents	\$ 5,667	\$ 45,217	\$ 7,098	\$ 57,982
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Due to other governments	\$ -	\$ 1,026	\$ -	\$ 1,026
FUND BALANCE				
Restricted	<u>5,667</u>	<u>44,191</u>	<u>7,098</u>	<u>56,956</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 5,667</u>	<u>\$ 45,217</u>	<u>\$ 7,098</u>	<u>\$ 57,982</u>

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2011**

	<u>Bus Driver Training</u>	<u>General Education Development</u>	<u>Supervisory</u>	<u>Totals</u>
REVENUES:				
Local sources	\$ 3,864	\$ 22,422	\$ -	\$ 26,286
State sources	1,546	-	-	1,546
Total revenues	<u>5,410</u>	<u>22,422</u>	<u>-</u>	<u>27,832</u>
EXPENDITURES:				
Instructional services:				
Salaries	-	4,200	-	4,200
Employee benefits	-	321	-	321
Purchased services	2,270	4,101	1,199	7,570
Supplies and materials	784	7,977	-	8,761
Other objects	-	80	-	80
Total expenditures	<u>3,054</u>	<u>16,679</u>	<u>1,199</u>	<u>20,932</u>
NET CHANGE IN FUND BALANCE	2,356	5,743	(1,199)	6,900
FUND BALANCE, BEGINNING OF YEAR	<u>3,311</u>	<u>38,448</u>	<u>8,297</u>	<u>50,056</u>
FUND BALANCE, END OF YEAR	<u>\$ 5,667</u>	<u>\$ 44,191</u>	<u>\$ 7,098</u>	<u>\$ 56,956</u>

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2011**

	<u>Distributive Fund</u>	<u>Regional Board of School Trustees Fund</u>	<u>Cooperative Purchasing Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 19,277	\$ 1,106	\$ -	\$ 20,383
Due from other governments	<u>-</u>	<u>-</u>	<u>315,484</u>	<u>315,484</u>
TOTAL ASSETS	<u>\$ 19,277</u>	<u>\$ 1,106</u>	<u>\$ 315,484</u>	<u>\$ 335,867</u>
LIABILITIES				
Due to other governments	<u>\$ 19,277</u>	<u>\$ 1,106</u>	<u>\$ 315,484</u>	<u>\$ 335,867</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended June 30, 2011

SCHEDULE 10

	<u>Balance, July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2011</u>
DISTRIBUTIVE FUND				
ASSETS				
Cash and cash equivalents	\$ 23,710	\$ 7,922,498	\$ 7,926,931	\$ 19,277
LIABILITIES				
Due to other governments	\$ 23,710	\$ 7,922,498	\$ 7,926,931	\$ 19,277
 REGIONAL BOARD OF SCHOOL TRUSTEES FUND				
ASSETS				
Cash and cash equivalents	\$ 2,245	\$ -	\$ 1,139	\$ 1,106
LIABILITIES				
Due to other governments	\$ 2,245	\$ -	\$ 1,139	\$ 1,106
 COOPERATIVE PURCHASING FUND				
ASSETS				
Cash and cash equivalents	\$ 212,974	\$ 867,994	\$ 1,080,968	\$ -
Due from other governments	310,328	315,484	310,328	315,484
TOTAL ASSETS	<u>\$ 523,302</u>	<u>\$ 1,183,478</u>	<u>\$ 1,391,296</u>	<u>\$ 315,484</u>
LIABILITIES				
Due to other governments	\$ 523,302	\$ 1,183,478	\$ 1,391,296	\$ 315,484
 TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 238,929	\$ 8,790,492	\$ 9,009,038	\$ 20,383
Due from other governments	310,328	315,484	310,328	315,484
TOTAL ASSETS	<u>\$ 549,257</u>	<u>\$ 9,105,976</u>	<u>\$ 9,319,366</u>	<u>\$ 335,867</u>
LIABILITIES				
Due to other governments	\$ 549,257	\$ 9,105,976	\$ 9,319,366	\$ 335,867

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 June 30, 2011

SCHEDULE 11

<u>Program</u>	<u>Cornell District 426</u>	<u>Livingston County Special Services</u>	<u>Mackinaw Valley Special Education</u>	<u>Rooks Creek CSD 425</u>	<u>Regional Office of Education</u>	<u>Totals</u>
General State Aid	\$ 304,634	\$ -	\$ -	\$ 19,586	\$ 1,635,448	\$ 1,959,668
Special Education Extraordinary	29,381	-	-	8,123	-	37,504
Special Education Personnel	9,000	368,434	9,000	4,313	213,626	604,373
Summer Special Education	879	-	-	-	-	879
Illinois Free Lunch	712	714	-	53	1,194	2,673
Breakfast Illinois	8	3	-	1	8	20
ICCB Adult Education Basic	-	-	-	-	67,201	67,201
ICCB Adult Education Performance	-	-	-	-	62,577	62,577
ICCB Adult Education Public	-	-	-	-	33,615	33,615
Transportation Regular	18,061	-	-	74,867	-	92,928
Transportation Special Education	33,294	5,829	-	1,215	-	40,338
Teacher Leaders	46	2,796	-	-	-	2,842
School Bus Driver Training	-	-	-	-	1,546	1,546
Truant Alternative Optional Education	-	-	-	-	41,458	41,458
Regional Safe School Program	-	-	-	-	240,576	240,576
Early Childhood Block Grant	-	-	-	-	160,153	160,153
Reading Improvement Block Grant	2,563	-	-	749	-	3,312
ROE/ISC Operations	-	-	-	-	88,909	88,909
Safety Education Block Grant	481	-	-	-	-	481
Medicaid District	-	18,852	-	-	-	18,852
Teacher Mentoring	-	-	-	-	165,880	165,880
National School Lunch Program	16,435	10,690	-	2,837	8,849	38,811
School Breakfast Program	6,049	7,406	-	521	9,962	23,938
Title I Low Income	19,765	-	-	-	-	19,765
Even Start Family Literacy	-	-	-	-	136,636	136,636
Title I - Reading First	-	-	-	-	16,979	16,979
Preschool Special Ed.	-	58,732	50,300	-	-	109,032
IDEA Special Ed. Flow Through	-	1,219,725	1,361,614	-	-	2,581,339
IDEA Room and Board	236	-	-	-	-	236
ICCB Federal Adult Education	-	-	-	-	64,496	64,496
ICCB English Language Civics	-	-	-	-	89,675	89,675
ARRA - General State Aid	-	-	-	-	8,968	8,968
Title I - School Improvement	-	-	-	-	51,134	51,134
ARRA Federal Special Education	-	47,300	46,282	-	-	93,582
ARRA IDEA	-	-	896,655	-	-	896,655
ARRA Education Jobs	12,536	-	-	1,868	149,716	164,120
Title II Teacher Quality	4,395	-	-	1,385	-	5,780
Totals	\$ 458,475	\$ 1,740,481	\$ 2,363,851	\$ 115,518	\$ 3,248,606	\$ 7,926,931

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011

Federal Grantor/Pass- Through Grantor, Program or Cluster Title	CFDA Number	Project Number (1st 8 digits) or Contract #	Federal Expenditures 7/1/2010-6/30/2011
U.S. Department of Agriculture passed through Illinois State Board of Education:			
School Breakfast Program	10.553	11-4220-00	\$ 14,659
National School Lunch Program	10.555	11-4210-00	<u>15,139</u>
Total U.S. Department of Agriculture Child Nutrition Cluster			<u>29,798</u>
U.S. Department of Education passed through Illinois State Board of Education:			
Evenstart State Educational Agencies			
Evenstart Family Literacy	84.213C	10-4335-00	536
Evenstart Family Literacy	84.213C	11-4335-00	<u>164,871</u>
			<u>165,407</u>
Illinois State Board of Education:			
Reading First State Grants			
Title I - Reading First Part B SEA Funds	84.357A	10-4337-00	<u>18,578</u>
Illinois State Board of Education:			
(M) ARRA - Education Jobs Fund	84.410A	11-4880-93	48,708
(M) ARRA - Education Jobs Fund	84.410A	11-4880-95	<u>101,008</u>
			<u>149,716</u>
Regional Office of Education No. 32 - I-Kan:			
Title I Grants to Local Educational Agencies			
(M) Title I - School Improvement and Accountability	84.010A	11-4331-SS	103,000
Mackinaw Valley Special Education Association:			
(M) Title I - Neglect	84.010A	N/A	2,771
Illinois State Board of Education:			
Title I Grants to Local Educational Agencies, Recovery Act			
(M) ARRA Title I - School Improvement	84.389A	11-4854-00	<u>117,542</u>
Title I, Part A Cluster			<u>223,313</u>
Regional Office of Education No. 32 - I-Kan:			
Education of Homeless Children Youth Cluster			
McKinney Homeless Grant	84.196A	11-4920-00	24,306
ARRA - McKinney Homeless Grant	84.387A	11-4862-00	<u>3,971</u>
			<u>28,277</u>
Illinois Community College Board:			
Adult Education - Basic Grants to States			
(M) Adult Education	84.002A	11-4800-00	85,995
(M) Adult Education-English Language Civics Grant	84.002A	11-4805-00	<u>107,609</u>
Total Adult Education			<u>193,604</u>
Illinois Department of Human Services			
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	N/A	<u>82,101</u>
Total U.S. Department of Education			<u>860,996</u>
U.S. Department of Housing and Urban Development passed through Housing Authority of the City of Bloomington:			
Supportive Housing Program			
Continuum of Care	14.235	10-4099-00	9,999
HUD Technology Grant	14.870	N/A	<u>12,880</u>
			<u>22,879</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>913,673</u>

(M) Program was audited as a major program

The accompanying notes are an integral part of this schedule.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011**

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Regional Office of Education #17 and is prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of these basic financial statements.

NOTE 2 - SUBRECIPIENTS

NONE

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAMS

Education Jobs Fund, Recovery Act - State Fiscal Stabilization Funds (SFSF) that were allocated to local educational agencies to prevent reductions (retain and create teaching positions and related service positions) in critical education funds.

Title I, Part A Cluster - allocations utilized specifically to assist low-performing schools/districts to increase student achievement through school improvement activities.

Adult Education - Basic Grants to States - provides adult education programming for individuals preparing to take the General Educational Development test and earn their General Education Diploma.

NOTE 4 - NON-CASH ASSISTANCE

NONE

NOTE 5 - AMOUNT OF INSURANCE

NONE

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

NONE

This information is an integral part of the accompanying schedule.