

State of Illinois
REGIONAL OFFICE OF EDUCATION #2
ALEXANDER, JOHNSON, MASSAC, PULASKI,
AND UNION COUNTIES
FINANCIAL AUDIT
(In Accordance with the Single Audit Act
& OMB Circular A-133)
For the Year Ended June 30, 2009

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

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
June 30, 2009**

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REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
June 30, 2009

OFFICIALS

Regional Superintendent
(Current and during the Audit Period)

Ms. Janet Ulrich

Assistant Regional Superintendent
(Acting Effective July 1, 2008 through December 15, 2008)

Mr. Larry Goldsmith

Assistant Regional Superintendent
(Acting Effective February 1, 2009 through Current)

Mr. Edwin Schoemate

Office is located at:

17 Rustic Campus Drive
Ullin, Illinois 62992

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
June 30, 2009**

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	4	2
Repeated audit findings	2	2
Prior recommendations implemented or not repeated	0	3

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

An additional 6 matters which are less than a significant deficiency or material weakness but more than inconsequential, have been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, these issues may have been included as immaterial findings in the auditors' reports.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
09-01	12a	Inadequate Internal Control Procedures	Significant Deficiency
09-02	12b	Controls Over Financial Statement Preparation	Material Weakness
09-03	12d	Lack of Adequate Capital Asset System	Material Weakness

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

09-04	13	Interest Earned on Federal Grant Funds	Noncompliance
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PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

None

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

None

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
For the Year Ended June 30, 2009

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on February 22, 2010. Attending were Janet Ulrich, Regional Superintendent, Kris Fasnacht, Fiscal Manager, and Kimberly Walker, CPA, Partner, Kemper CPA Group, LLP. Responses to the recommendations were provided by Janet Ulrich, Regional Superintendent as of that date.

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
For the Year Ended June 30, 2009**

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Alexander/Johnson/Massac/Pulaski/Union Counties Regional Office of Education #2 was performed by Kemper CPA Group LLP, Certified Public Accountants and Consultants.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #2's basic financial statements.



INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #2, as of and for the year ended June 30, 2009, which collectively comprise the Regional Office of Education #2's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office of Education #2's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #2, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 18, 2010 on our consideration of the Regional Office of Education #2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 16a through 16j and 47 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Office of Education #2's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund, 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.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
March 18, 2010



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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #2, as of and for the year ended June 30, 2009, which collectively comprise the Regional Office of Education #2's basic financial statements and have issued our report thereon dated March 18, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Regional Office of Education #2'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 and not for the purpose of expressing an opinion on the effectiveness of the Regional Office of Education #2's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #2'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 and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in findings 09-02 and 09-03 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in findings 09-01 and 09-04 in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Regional Office of Education #2'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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 09-04.

We also noted certain matters which we have reported to management of the Regional Office of Education #2 in a separate letter dated March 18, 2010.

Regional Office of Education #2's responses 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 #2's responses and, accordingly, we express no opinion on them.

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 organization, 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.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
March 18, 2010

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the compliance of the Regional Office of Education #2 with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Regional Office of Education #2'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 Regional Office of Education #2's management. Our responsibility is to express an opinion on the Regional Office of Education #2'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 Regional Office of Education #2'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 Regional Office of Education #2's compliance with those requirements.

In our opinion, the Regional Office of Education #2 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 09-04.

Internal Control Over Compliance

The management of the Regional Office of Education #2 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Regional Office of Education #2's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Regional Office of Education #2's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 09-04 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

Regional Office of Education #2's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Regional Office of Education #2'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 organization, 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.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
March 18, 2010

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009**

SECTION 1 - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
● Material weakness(es) identified?	Yes
● Significant Deficiency(ies) identified that are not considered to be material weakness(es)?	Yes
● Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
● Material weakness(es) identified?	No
● Significant Deficiency(ies) identified that are not considered to be material weakness(es)?	Yes
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)?	Yes

Identification of **major** programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010A	System of Support Title I – School Improvement and Accountability

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

Auditee qualified as a low-risk auditee?	No
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REGIONAL OFFICE OF EDUCATION #2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2009

Finding No. 09-01 – Inadequate Internal Control Procedures (Partial repeat from Findings 08-01 and 07-01)

Criteria/Specific Requirement:

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

Condition:

During our testing of 115 disbursement transactions, we noted the following weaknesses in the Regional Office of Education's internal control system:

- A. Three instances where the Regional Office did not document approval for transfers between bank accounts.
- B. One instance where the Regional Office did not document approval for the repayment of an interfund loan.

Effect:

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

Cause:

The Regional Office has not established sufficient internal control procedures.

Recommendation:

- A. The Regional Office should document formal approval of interbank transfers.
- B. The Regional Office should document formal approval of interfund loans.

Management's Response:

The Regional Superintendent agrees with the finding; however, as of yearend, the Regional Office has consolidated its multiple bank accounts into one operating account. As a result, the Regional Office will no longer have any interbank transfers. If any additional accounts are opened in the future, the Regional Office will implement an approval process for interbank transfers.

The Regional Office has implemented the above recommendation related to interfund loans.

REGIONAL OFFICE OF EDUCATION #2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2009

Finding No.: 09-02 – Controls Over Financial Statement Preparation (Repeat from Findings 08-02 and 07-05)

Criteria/specific requirement:

The Regional Office of Education #2 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 #2 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- A. The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenues, not all entries were made by the ROE to reconcile their grant activity, such as posting grant receivables and deferred revenues. The Regional Office's financial information required several adjusting entries to present the financial statements in accordance with generally accepted accounting principles.
- B. The Regional Office did not have adequate controls over the maintenance of complete records of its Distributive Fund. More specifically, the Regional Office did not properly record \$11,465,250 of receipts and disbursements that passed through the Distributive Fund checking account.

Effect:

- A. Management or employees in the normal course of performing their assigned functions may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.
- B. The Distributive Fund's receipts and disbursements were understated by \$11,465,250.

Cause:

- A. According to Regional Office officials, they do not have adequate funding to hire a certified public accountant or other financial professionals for their staff.
- B. The Regional Office did not reconcile the Distributive Fund's general ledgers to the Illinois State Board of Education disbursement reports.

REGIONAL OFFICE OF EDUCATION #2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2009

Finding No.: 09-02 – Controls Over Financial Statement Preparation (Concluded)

Recommendation:

- A. As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #2 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review 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.
- B. The Regional Office should reconcile the Illinois State Board of Education disbursement reports to the general ledger monthly to ensure that all receipts and disbursements have been properly recorded.

Management's Response:

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

In addition, the Regional Office has contracted with a Certified Public Accountant to assist the Regional Office with its yearend closing entries and who is willing to accept responsibility for the financial statements.

- B. The Regional Superintendent agrees with the finding.

REGIONAL OFFICE OF EDUCATION #2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2009

Finding No.: 09-03 – Lack of Adequate Capital Asset System

Criteria/specific requirement:

The Regional Office of Education Accounting Manual requires each Regional Office of Education to maintain detailed capital assets records for both accounting purposes as well as insurance purposes, for capital assets costing \$500 or more. Accounting principles generally accepted in the United States of America require capital assets to be stated at acquisition cost, net of depreciation, in the financial statements.

The Regional Office of Education Accounting Manual also states that the capital asset inventory records should include: the inventory control number (tag number); major asset class; function and activity; reference to the acquisition source document; acquisition date; vendor; a short description of the asset; unit charged with custody; location; fund and account from which purchased; method of acquisition; estimated useful life and method of depreciation (if applicable); estimated salvage value; and date, method, and authorization of disposition.

Condition:

The Regional Office of Education #2 currently uses a spreadsheet to track its capital assets, including capital asset additions and deletions. However, the schedule does not adequately track the Regional Office of Education's capital asset activity. Capital asset additions are simply added to the spreadsheet, deletions are simply removed, and transfers are moved on the schedule. The spreadsheet does not allow for the reconciliation of the schedule with beginning balances to ending balances, once additions, deletions, and transfers have been considered.

In addition, numerous errors were detected in the spreadsheet which included purchase costs being inadvertently changed and capital assets being incorrectly deleted from the schedule.

Effect:

The spreadsheet, which required frequent updating by accounting personnel, is limited with respect to asset tracking and data security and has a high risk of error.

Cause:

The Regional Office of Education #2 has not implemented an adequate system to track its capital assets and their related depreciation.

Recommendation:

The Regional Office of Education should consider purchasing a capital asset tracking software system in order to adequately track its capital assets and their related depreciation.

Management's Response:

The Regional Superintendent agrees with the finding.

REGIONAL OFFICE OF EDUCATION #2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2009

Finding No.: 09-04 – Interest Earned on Federal Grant Funds

Federal Program Name & Year: System of Support – Title I – School Improvement and Accountability

Project Number: 08-4331-SS and 09-4331-SS

CFDA Number: 84.010A

Passed Through: Illinois State Board of Education

Federal Agency: Department of Education

Criteria/specific requirement:

The *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments* (34 Code of Federal Regulations Part 80.21) requires that interest earned on federal fund balances in excess of \$100 be remitted back to the federal granting agency promptly or at least quarterly.

Condition:

- A. A program audit was performed on the 2008 program by the grantor agency. The auditor calculated interest on the federal fund balances totaling \$4,345, which the Regional Office had to remit back to the grantor agency.
- B. The Regional Office had interest income of \$25 earned from federal funding in excess of \$100 related to the 2009 program which was due back to the grantor agency.

Questioned Costs:

- A. \$4,345
- B. \$ 25

Context: N/A

Effect:

Noncompliance with the *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments* (34 Code of Federal Regulations Part 80.21).

Cause:

- A. In prior years, the Regional Office maintained its excess federal funding in a non-interest bearing account. As a result, the Regional Office was uncertain of the amounts due back to the granting agency.
- B. Oversight by Regional Office personnel.

Recommendation:

The Regional Office should track interest earnings on federal funds so that any excess funds can be returned promptly. In addition, at the end of the grant period, unobligated or unspent interest on all grants plus any federal interest in excess of \$100 should be returned to the grantor.

Management's Response:

The Regional Superintendent agrees with the finding.

REGIONAL OFFICE OF EDUCATION #2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
For the Year Ended June 30, 2009

INSTANCES OF NONCOMPLIANCE:

Finding No. 09-04 – Interest Earned on Federal Grant Funds (finding details on page 12e)

SIGNIFICANT DEFICIENCIES:

Finding No. 09-04 – Interest Earned on Federal Grant Funds (finding details on page 12e)

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
For the Year Ended June 30, 2009**

Corrective Action Plan

Finding No. 09-01

Condition:

During our testing of 115 disbursement transactions, we noted the following weaknesses in the Regional Office of Education's internal control system:

- A. Three instances where the Regional Office did not document approval for transfers between bank accounts.
- B. One instance where the Regional Office did not document approval for the repayment of an interfund loan.

Plan:

- A. The Regional Office has consolidated its multiple bank accounts into one operating account. As a result, the Regional Office will no longer have any interbank transfers. If any additional accounts are opened in the future, the Regional Office will implement an approval process for interbank transfers.
- B. The Regional Office will document formal approval of interfund loans.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Name of Contact Person:

Ms. Janet Ulrich, Regional Superintendent

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
For the Year Ended June 30, 2009**

Corrective Action Plan

Finding No. 09-02

Condition:

The Regional Office of Education #2 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- A. The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenues, not all entries were made by the ROE to reconcile their grant activity, such as posting grant receivables and deferred revenues. The Regional Office's financial information required several adjusting entries to present the financial statements in accordance with generally accepted accounting principles.
- B. The Regional Office did not have adequate controls over the maintenance of complete records of its Distributive Fund. More specifically, the Regional Office did not properly record \$11,465,250 of receipts and disbursements that passed through the Distributive Fund checking account.

Plan:

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

The Regional Office has contracted with a Certified Public Accountant to assist the Regional Office with its yearend closing entries and who is willing to accept responsibility for the financial statements.

- B. The Regional Office will begin reconciling the Illinois State Board of Education disbursement reports to the general ledger monthly to ensure that all receipts and disbursements have been properly recorded.

Anticipated Date of Completion:

- A. Immediately upon learning of oversight.
- B. Immediately upon learning of oversight.

Name of Contact Person:

Ms. Janet Ulrich, Regional Superintendent

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
For the Year Ended June 30, 2009**

Corrective Action Plan

Finding No. 09-03

Condition:

The Regional Office of Education #2 currently uses a spreadsheet to track its capital assets, including capital asset additions and deletions. However, the schedule does not adequately track the Regional Office of Education's capital asset activity. Capital asset additions are simply added to the spreadsheet, deletions are simply removed, and transfers are moved on the schedule. The spreadsheet does not allow for the reconciliation of the schedule with beginning balances to ending balances, once additions, deletions, and transfers have been considered.

In addition, numerous errors were detected in the spreadsheet which included purchase costs being inadvertently changed and capital assets being incorrectly deleted from the schedule.

Plan:

The Regional Office of Education will investigate purchasing a capital asset tracking software system in order to adequately track its capital assets and their related depreciation.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Name of Contact Person:

Ms. Janet Ulrich, Regional Superintendent

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
For the Year Ended June 30, 2009**

Corrective Action Plan

Finding No. 09-04

Condition:

- A. A program audit was performed on the 2008 program by the grantor agency. The auditor calculated interest on the federal fund balances totaling \$4,345, which the Regional Office had to remit back to the grantor agency.

- B. The Regional Office had interest income of \$25 earned from federal funding in excess of \$100 related to the 2009 program which was due back to the grantor agency.

Plan:

The Regional Office of Education will remit interest income earned from federal funding in excess of \$100 to the appropriate granting agencies.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Name of Contact Person:

Ms. Janet Ulrich, Regional Superintendent

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2009**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
08-01	Inadequate Internal Control Procedures	Repeated in Part
08-02	Controls Over Financial Statement Preparation	Repeated in Part

MANAGEMENT'S DISCUSSION AND ANALYSIS

**ALEXANDER-JOHNSON-MASSAC-PULASKI-UNION COUNTIES
REGIONAL OFFICE OF EDUCATION #2
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

Regional Office of Education #2 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, 2009. We encourage readers to consider this information in conjunction with the Regional Office of Education #2's financial statements, which follow.

2009 FINANCIAL HIGHLIGHTS

- General fund revenues increased from \$415,022 in fiscal year 2008 (FY08) to \$434,189 in fiscal year 2009 (FY09), and General fund expenditures decreased from \$479,796 in FY08 to \$415,166 in FY09. This resulted in an increase in the Regional Office of Education #2's General fund balance from \$307,991 in FY08 to \$336,466 in FY09.
- The increase in General fund revenues was attributed to an increase in local grant revenue in FY09. The decrease in expenditures was due primarily to the reduction in staff and expenses where possible. Some staff members left the Regional Office of Education #2 and were not replaced or were replaced by staff members at lower salaries.
- Education fund revenues decreased from \$3,346,597 in FY08 to \$2,734,183 in FY09, and Education fund expenditures decreased from \$3,079,551 in FY08 to \$2,461,738 in FY09. This resulted in an increase in the Education fund balance from \$1,208,147 in FY08 to \$1,518,318 in FY09.
- The decrease in Education fund revenues was attributed to a decrease in federal grant revenue in FY09. The decrease in expenditures was due primarily to expenses associated with the decreased revenues.

USING THIS ANNUAL REPORT

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

- The Regional Office of Education #2's Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office of Education #2's financial activities.
- The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Regional Office of Education #2 as a whole and present an overall view of the Regional Office of Education #2's finances.
- The governmental fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Regional Office of Education #2's operations in more detail than the government-wide statements by providing information about the most significant funds.

**ALEXANDER-JOHNSON-MASSAC-PULASKI-UNION COUNTIES
REGIONAL OFFICE OF EDUCATION #2
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

USING THIS ANNUAL REPORT (Concluded)

- Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- The required supplementary information and supplementary information further explains and supports the financial statements with a Schedule of Funding Progress for the Illinois Municipal Retirement Fund, a comparison of the Regional Office of Education #2's budget for the year, and detailed information about the non-major funds.

REPORTING THE REGIONAL OFFICE OF EDUCATION #2 AS A WHOLE

The Statement of Net Assets and the Statement of Activities

The Government-wide statements report information about the Regional Office of Education #2 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all the Regional Office of Education #2's assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the Regional Office of Education #2's net assets and how they have changed. Net assets – the difference between the Regional Office of Education #2's assets and liabilities – are one way to measure the Regional Office of Education #2's financial health or position.

- Over time, increases or decreases in the Regional Office of Education #2's net assets are an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Regional Office of Education #2's overall health, additional non-financial factors, need to be considered.

In the government-wide financial statements, the Regional Office of Education #2's activities consist of governmental activities and business-type activities.

- *Governmental activities:* Most of the Regional Office of Education #2's basic services are included here, such as regular and special education instruction, student and instructional staff support services and administration. State and federal grants, local school districts, and state aid finance most of these activities.
- *Business-type activities:* The Regional Office of Education #2 charges fees to help cover the costs of certain services and workshops it provides.

**ALEXANDER-JOHNSON-MASSAC-PULASKI-UNION COUNTIES
REGIONAL OFFICE OF EDUCATION #2
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

**REPORTING THE REGIONAL OFFICE OF EDUCATION #2 AS A WHOLE
(Concluded)**

Governmental Fund Financial Statements

The governmental fund financial statements provide detailed information about the Regional Office of Education #2's funds, focusing on its most significant or "major" funds – not the Regional Office of Education #2 as a whole. Funds are accounting devices the Regional Office of Education #2 uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law. The Regional Office of Education #2 establishes other funds to control and manage money for particular purposes.

Governmental funds account for most of the Regional Office of Education #2's basic services. These focus on how cash and other financial assets that can readily be converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Regional Office of Education #2's programs. Because this information does not encompass the additional long-term focus of the government-wide statements a reconciliation between the government-wide statements and the governmental fund statements follow each of the related governmental fund statements. The Regional Office of Education #2's governmental funds include the General Fund and the Special Revenue Funds.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. The Regional Office of Education #2's net assets at the end of fiscal year 2009 totaled approximately \$2.0 million. This compared to approximately \$1.7 million at the end of fiscal year 2008. The analysis that follows provides a summary of the Regional Office of Education #2's net assets at June 30, 2009 and 2008 for the governmental and business-type activities.

**ALEXANDER-JOHNSON-MASSAC-PULASKI-UNION COUNTIES
REGIONAL OFFICE OF EDUCATION #2
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

CONDENSED STATEMENT OF NET ASSETS

GOVERNMENTAL ACTIVITIES

	2009	2008	Increase / (Decrease)
Current Assets	\$ 2,357,422	\$ 1,890,606	466,816
Noncurrent Assets	137,439	164,609	(27,170)
Total Assets	2,494,861	2,055,215	439,646
Current Liabilities	511,564	375,972	135,592
Noncurrent Liabilities	11,211	17,195	(5,984)
Total Liabilities	522,775	393,167	129,608
Net Assets:			
Invested in Capital Assets	137,439	164,609	(27,170)
Unrestricted	1,842,364	1,498,484	343,880
Restricted for teacher professional development	(7,717)	(1,045)	(6,672)
Total Net Assets	\$ 1,972,086	\$ 1,662,048	310,038

The Regional Office of Education #2's combined governmental net assets increased by approximately \$310,038 from fiscal year 2008.

BUSINESS-TYPE ACTIVITIES

	2009	2008	Increase / (Decrease)
Current Assets	\$ 29,597	\$ 25,005	4,592
Noncurrent Assets	1,671	2,784	(1,113)
Total Assets	31,268	27,789	3,479
Net Assets:			
Invested in Capital Assets	1,671	2,784	(1,113)
Unrestricted	29,597	25,005	4,592
Restricted for teacher professional development	-	-	-
Total Net Assets	\$ 31,268	\$ 27,789	3,479

The Regional Office of Education #2's combined business-type net assets increased by approximately \$3,479 from fiscal year 2008.

**ALEXANDER-JOHNSON-MASSAC-PULASKI-UNION COUNTIES
REGIONAL OFFICE OF EDUCATION #2
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

STATEMENT OF ACTIVITIES

GOVERNMENTAL ACTIVITIES

	2009	2008	Increase / (Decrease)
Revenues:			
Program Revenues:			
Operating grants and contributions	\$ 2,313,780	\$ 2,914,205	(600,425)
General Revenues:			
Local sources	193,477	194,812	(1,335)
State sources	421,726	399,844	21,882
On-behalf payments - State	258,796	269,257	(10,461)
Transfers	-	-	-
Investment Earnings (Interest)	47,238	48,787	(1,549)
Loss on asset disposals	-	-	-
Total Revenues	3,235,017	3,826,905	(591,888)
Expenses:			
Program Expenses:			
Instructional Services			
Salaries and benefits	1,044,721	1,278,640	(233,919)
Purchased services	700,630	694,539	6,091
Supplies and materials	169,152	177,147	(7,995)
Other Objects	-	15,695	(15,695)
Payments to other governments	708,603	1,105,786	(397,183)
Depreciation expense	43,077	44,027	(950)
Administrative Expense:			
On-behalf payments - State	258,796	269,257	(10,461)
Total Expenses	2,924,979	3,585,091	(660,112)
Change in Net Assets	310,038	241,814	68,224
Net Assets - Beginning	1,662,048	1,420,234	241,814
Net Assets - Ending	\$ 1,972,086	\$ 1,662,048	310,038

**ALEXANDER-JOHNSON-MASSAC-PULASKI-UNION COUNTIES
REGIONAL OFFICE OF EDUCATION #2
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

STATEMENT OF ACTIVITIES

BUSINESS-TYPE ACTIVITIES

	2009	2008	Increase / (Decrease)
Revenues:			
Program Revenues:			
Charges for services	\$ 13,590	\$ 29,905	(16,315)
General Revenues:			
Transfers	-	-	-
Investment Earnings (Interest)	210	196	14
Total Revenues	13,800	30,101	(16,301)
Expenses:			
Salaries and benefits	1,123	-	1,123
Purchased services	5,891	4,985	906
Supplies and materials	2,194	2,793	(599)
Other objects	-	200	(200)
Depreciation expense	1,113	2,051	(938)
Total Expenses	10,321	10,029	292
Change in Net Assets	3,479	20,072	(16,593)
Net Assets - Beginning	27,789	7,717	20,072
Net Assets - Ending	\$ 31,268	\$ 27,789	3,479

FINANCIAL ANALYSIS OF THE REGIONAL OFFICE OF EDUCATION FUNDS

As previously noted, Regional Office of Education #2 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**ALEXANDER-JOHNSON-MASSAC-PULASKI-UNION COUNTIES
REGIONAL OFFICE OF EDUCATION #2
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

FINANCIAL ANALYSIS OF THE REGIONAL OFFICE OF EDUCATION FUNDS

Governmental Fund Highlights

The Regional Office of Education #2's governmental fund reported combined fund balances of \$1,845,858 compared with FY08's ending fund balances of \$1,514,634. Of this, general fund balance of \$336,466 increased from FY08's ending fund balance of \$307,991, education fund balance of \$1,518,318 increased from FY08's ending fund balance of \$1,208,147, and other non-major governmental fund balance of (\$8,926) decreased from FY08's ending fund balance of (\$1,504). The primary reason for the increase in combined fund balances in FY09 was due to reduced expenditures to keep within budgets.

Another reason for the significant change was the reduction in staff. Some staff members left the Regional Office of Education #2 and were not replaced or were replaced by staff members at lower salaries.

The Regional Office of Education #2's increasing General Fund financial position is the product of many factors, including decreased expenditures for salaries and benefits, and purchased services.

Business-Type Fund Highlights

The Regional Office of Education #2's business-type fund reported combined fund balances of \$31,268 compared with FY08's ending fund balances of \$27,789. The primary reason for the increase in fund balances in FY09 was due to expenses being held below revenues.

FIDUCIARY FUND TYPE

Regional Office of Education #2's funds are used to account for assets held by the Regional Office of Education #2 in trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Distributive Fund is the Regional Office of Education #2's only agency fund.

Interest on Distributive Fund – The Regional Office of Education #2 has agreements with all participating districts in the region whereby the Regional Office of Education #2 is allowed to keep the interest for expenditures benefiting all districts.

**ALEXANDER-JOHNSON-MASSAC-PULASKI-UNION COUNTIES
REGIONAL OFFICE OF EDUCATION #2
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

FINANCIAL ANALYSIS OF THE REGIONAL OFFICE OF EDUCATION FUNDS

MEASUREMENT FOCUS

The fund financial statements of all Governmental Funds focus on the measurement of spending or "financial flow" and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. In applying the susceptible to accrual concepts to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #2; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditures and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

BUDGETARY HIGHLIGHTS

The Regional Office of Education #2's Advisory Board approves an education plan. Although the budget document presents functional disbursements by fund, the legal level of control is at the total expenditure level, not at the fund or fund type level. The State Board reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the State Board for final approval. The budget may be amended during the year utilizing procedures prescribed by the State Board. Over the course of the year, the Regional Office of Education #2 amended its annual operating budget several times to reflect additional revenue and expenditures associated with the additional services needed and provided to the local school districts. The Regional Office of Education #2 has a five-county budget for administrative purposes. Each county contributes financially to the Regional Office of Education #2 based upon the county's population.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Regional Office of Education #2 does own buildings and equipment. Items purchased costing over \$500 are listed on the Regional Office of Education #2's inventory. At June 30, 2009 the Regional Office of Education #2 had an investment in capital assets of \$139,110 which is the original cost of the assets less the accumulated depreciation.

**ALEXANDER-JOHNSON-MASSAC-PULASKI-UNION COUNTIES
REGIONAL OFFICE OF EDUCATION #2
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

CAPITAL ASSET AND DEBT ADMINISTRATION (CONCLUDED)

Debt

The Regional Office of Education #2 incurs no debt. All bills are paid by the end of the fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the Regional Office of Education #2 was aware of existing circumstances that could significantly affect its financial health in the future.

The Regional Office of Education #2 has experienced an increase in the number of students being served by its programs in the past five years. A slight increase in enrollment is expected and included in the budget based on request from local school districts.

ADDITIONAL INFORMATION

The following information is furnished to further explain the Regional Office of Education #2's financial analysis and planning:

Management staff and financial staff continually review all aspects of the financial statements including the format of financial statements, accounting and reporting capital assets, and internal service funds. This would include a monthly analysis and cross check of balancing the various funds. The review of how to meet projected shortfalls are discussed and analyzed at these meetings. The major problem with finances is the State's inability to pay the Regional Office of Education #2 for approved grant funds.

The management team reviews all programs from short-term to long-term concerning the financial aspects of the Regional Office of Education #2. This includes reviewing projected funds and/or amending the various programs in order to ensure adequate and proper funding. Most financial receipts are ultimately received by the Regional Office of Education #2 to maintain programs. The serious problem is that these funds are often late by several months which cause fund transfers and other methods to stay financially viable. Generally speaking, the funds are received by the end of the year, but few are received as indicated in the grant programs. Improved financial planning could occur if the State gave general guidelines from one year to the next. For example, if we were told a particular program will receive at least 85 percent of last year's budget; this would enable the Regional Office of Education #2 to plan more effectively.

**ALEXANDER-JOHNSON-MASSAC-PULASKI-UNION COUNTIES
REGIONAL OFFICE OF EDUCATION #2
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

ADDITIONAL INFORMATION (CONCLUDED)

The current year results in comparison with prior years, indicates a decrease from last year. Although final results are not available at this point in time, preliminary indications indicate another reduction in Regional Office of Education #2 funds and probably other grant programs. Because of this uncertainty it is very difficult to develop a plan to increase or maintain the effectiveness of the Regional Office of Education #2 and grant programs.

**CONTACTING THE REGIONAL OFFICE OF EDUCATION #2'S FINANCIAL
MANAGEMENT**

This financial report is designed to provide the Regional Office of Education #2's citizens, taxpayers, customers, and investors with a general overview of the Regional Office of Education #2's finances and to demonstrate the Regional Office of Education #2's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Regional Office of Education #2, 17 Rustic Campus Drive, Ullin, IL 62992.

BASIC FINANCIAL STATEMENTS

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
STATEMENT OF NET ASSETS
June 30, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 2,018,707	\$ 29,597	\$ 2,048,304
Due from other funds	-	-	-
Due from other governments	338,715	-	338,715
Total Current Assets	<u>2,357,422</u>	<u>29,597</u>	<u>2,387,019</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	137,439	1,671	139,110
Total Noncurrent Assets	<u>137,439</u>	<u>1,671</u>	<u>139,110</u>
TOTAL ASSETS	<u>2,494,861</u>	<u>31,268</u>	<u>2,526,129</u>
LIABILITIES			
Current Liabilities:			
Due to other governments	13,087	-	13,087
Accounts payable	210,599	-	210,599
Accrued payroll and employee benefits	14,657	-	14,657
Deferred revenue	273,221	-	273,221
Total Current Liabilities	<u>511,564</u>	<u>-</u>	<u>511,564</u>
Noncurrent Liabilities:			
Liability for compensated absences	11,211	-	11,211
Total Noncurrent Liabilities	<u>11,211</u>	<u>-</u>	<u>11,211</u>
TOTAL LIABILITIES	<u>522,775</u>	<u>-</u>	<u>522,775</u>
NET ASSETS			
Invested in capital assets	137,439	1,671	139,110
Restricted for teacher professional development	(7,717)	-	(7,717)
Unrestricted	1,842,364	29,597	1,871,961
TOTAL NET ASSETS	<u>\$ 1,972,086</u>	<u>\$ 31,268</u>	<u>\$ 2,003,354</u>

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

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
Instructional Services:						
Salaries and benefits	\$ 1,044,721	\$ -	\$ 998,892	\$ (45,829)	\$ -	\$ (45,829)
Purchased services	700,630	-	500,901	(199,729)	-	(199,729)
Supplies and materials	169,152	-	113,207	(55,945)	-	(55,945)
Other objects	-	-	-	-	-	-
Depreciation	43,077	-	-	(43,077)	-	(43,077)
Capital outlay	-	-	15,908	15,908	-	15,908
Payments to other governments	708,603	-	684,872	(23,731)	-	(23,731)
Administrative:						
On-behalf payments - State	258,796	-	-	(258,796)	-	(258,796)
On-behalf payments - Local	-	-	-	-	-	-
Total governmental activities	<u>2,924,979</u>	<u>-</u>	<u>2,313,780</u>	<u>(611,199)</u>	<u>-</u>	<u>(611,199)</u>
Business-type activities:						
Registration/Testing fee	10,321	13,590	-	-	3,269	3,269
Total business-type activities	<u>10,321</u>	<u>13,590</u>	<u>-</u>	<u>-</u>	<u>3,269</u>	<u>3,269</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 2,935,300</u>	<u>\$ 13,590</u>	<u>\$ 2,313,780</u>	<u>(611,199)</u>	<u>3,269</u>	<u>(607,930)</u>
GENERAL REVENUES:						
Local sources				193,477	-	193,477
State sources				421,726	-	421,726
On-behalf payments - State				258,796	-	258,796
Interest Income				47,238	210	47,448
Total general revenues				<u>921,237</u>	<u>210</u>	<u>921,447</u>
CHANGE IN NET ASSETS				<u>310,038</u>	<u>3,479</u>	<u>313,517</u>
NET ASSETS - BEGINNING				<u>1,662,048</u>	<u>27,789</u>	<u>1,689,837</u>
NET ASSETS - ENDING				<u>\$ 1,972,086</u>	<u>\$ 31,268</u>	<u>\$ 2,003,354</u>

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

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009

	General Fund	Education Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 157,993	\$ 1,860,024	\$ 690	\$ -	\$ 2,018,707
Due from other funds	300,108	135,325	-	(435,433)	-
Due from other governments	45,636	293,079	-	-	338,715
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 503,737</u></u>	<u><u>\$ 2,288,428</u></u>	<u><u>\$ 690</u></u>	<u><u>\$ (435,433)</u></u>	<u><u>\$ 2,357,422</u></u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	\$ 167,271	\$ 258,546	\$ 9,616	\$ (435,433)	\$ -
Due to other governments	-	13,087	-	-	13,087
Accounts payable	-	210,599	-	-	210,599
Accrued payroll and employee benefits	-	14,657	-	-	14,657
Deferred revenue	-	273,221	-	-	273,221
Total Liabilities	<u>167,271</u>	<u>770,110</u>	<u>9,616</u>	<u>(435,433)</u>	<u>511,564</u>
Fund Balances					
Unreserved, reported in:					
Special revenue funds	-	1,518,318	(8,926)	-	1,509,392
General fund	336,466	-	-	-	336,466
Total Fund Balances	<u>336,466</u>	<u>1,518,318</u>	<u>(8,926)</u>	<u>-</u>	<u>1,845,858</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 503,737</u></u>	<u><u>\$ 2,288,428</u></u>	<u><u>\$ 690</u></u>	<u><u>\$ (435,433)</u></u>	<u><u>\$ 2,357,422</u></u>

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

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
June 30, 2009**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 1,845,858
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds, net of accumulated depreciation of \$702,220.</p>	137,439
<p>Accrued payroll and benefit costs which reflect the amount of vacation pay that has been earned by the Regional Office of Education #2's employees but will not be paid within the next year is not reported in the governmental funds.</p>	<u>(11,211)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,972,086</u></u>

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

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General Fund	Education Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
REVENUES					
Local sources	\$ 102,847	\$ 77,073	\$ 13,557	\$ -	\$ 193,477
State sources	72,546	1,157,646	5,850	-	1,236,042
State sources - payments made on behalf of region	258,796	-	-	-	258,796
Federal sources	-	1,499,464	-	-	1,499,464
Total Revenues	<u>434,189</u>	<u>2,734,183</u>	<u>19,407</u>	<u>-</u>	<u>3,187,779</u>
EXPENDITURES					
Instructional Services:					
Salaries and benefits	77,407	970,267	3,030	-	1,050,704
Purchased services	70,200	610,379	20,051	-	700,630
Supplies and materials	8,763	156,581	3,808	-	169,152
Other objects	-	-	-	-	-
Payments to other governments	-	708,603	-	-	708,603
Payments made on behalf of region	258,796	-	-	-	258,796
Capital outlay	-	15,908	-	-	15,908
Total Expenditures	<u>415,166</u>	<u>2,461,738</u>	<u>26,889</u>	<u>-</u>	<u>2,903,793</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>19,023</u>	<u>272,445</u>	<u>(7,482)</u>	<u>-</u>	<u>283,986</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	(320)	(320)
Transfers out	-	-	-	320	320
Interest	9,452	37,726	60	-	47,238
Total Other Financing Sources (Uses)	<u>9,452</u>	<u>37,726</u>	<u>60</u>	<u>-</u>	<u>47,238</u>
NET CHANGE IN FUND BALANCES	28,475	310,171	(7,422)	-	331,224
FUND BALANCES - BEGINNING	<u>307,991</u>	<u>1,208,147</u>	<u>(1,504)</u>	<u>-</u>	<u>1,514,634</u>
FUND BALANCES - ENDING	<u>\$ 336,466</u>	<u>\$ 1,518,318</u>	<u>\$ (8,926)</u>	<u>\$ -</u>	<u>\$ 1,845,858</u>

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

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009**

NET CHANGE IN FUND BALANCES \$ 331,224

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	\$ 15,908	
Depreciation Expense	<u>(43,077)</u>	(27,169)

Accrued payroll and benefits costs which reflect the amount of vacation pay that has been earned by the Regional Office of Education #2's employees in prior years and was paid in the current year, but is not reported in the governmental funds.

5,983

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 310,038

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

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
STATEMENT OF NET ASSETS
PROPRIETARY FUND
June 30, 2009

	Business-Type Activities - Enterprise Funds	
	Workshops Fund	Total
ASSETS		
Current assets:		
Cash	\$ 29,597	\$ 29,597
Due from local governments	-	-
Total current assets	29,597	29,597
Noncurrent assets:		
Capital assets, net of accumulated depreciation:	1,671	1,671
Total noncurrent assets	1,671	1,671
TOTAL ASSETS	31,268	31,268
NET ASSETS		
Invested in capital assets	1,671	1,671
Unrestricted	29,597	29,597
TOTAL NET ASSETS	\$ 31,268	\$ 31,268

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

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
For the Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds	
	Workshops	
	Fund	Total
OPERATING REVENUES		
Local sources	\$ 13,590	\$ 13,590
Total operating revenues	<u>13,590</u>	<u>13,590</u>
 OPERATING EXPENSES		
Salaries and benefits	1,123	1,123
Purchased Services	5,891	5,891
Supplies and materials	2,194	2,194
Other objects	-	-
Depreciation	1,113	1,113
Total operating expenses	<u>10,321</u>	<u>10,321</u>
 OPERATING INCOME (LOSS)	<u>3,269</u>	<u>3,269</u>
 NONOPERATING REVENUES		
Interest	210	210
Total nonoperating revenues	<u>210</u>	<u>210</u>
 CHANGE IN NET ASSETS	3,479	3,479
 TOTAL NET ASSETS - BEGINNING	<u>27,789</u>	<u>27,789</u>
 TOTAL NET ASSETS - ENDING	<u>\$ 31,268</u>	<u>\$ 31,268</u>

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

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended June 30, 2009**

	Business-Type Activities - Enterprise Funds	
	Workshops	
	Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 13,590	\$ 13,590
Payments to suppliers and providers of goods and services	(8,085)	(8,085)
Payments to employees	(1,123)	(1,123)
Net cash provided by (used for) operating activities	<u>4,382</u>	<u>4,382</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	210	210
Net cash provided by (used for) investing activities	<u>210</u>	<u>210</u>
Net increase (decrease) in cash	4,592	4,592
CASH AND CASH EQUIVALENTS - BEGINNING	<u>25,005</u>	<u>25,005</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 29,597</u>	<u>\$ 29,597</u>
RECONILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	\$ 3,269	\$ 3,269
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	<u>1,113</u>	<u>1,113</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 4,382</u>	<u>\$ 4,382</u>

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

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
June 30, 2009**

	Agency Fund
ASSETS	
Cash	\$ -
Due from other governments	5,682,180
TOTAL ASSETS	\$ 5,682,180
LIABILITIES	
Due to other governments	\$ 5,682,180
TOTAL LIABILITIES	\$ 5,682,180

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

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #2 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2009, the Regional Office of Education #2 implemented Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*; GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*; GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The Regional Office of Education #2 implemented these standards during the current year; however, GASB No. 49, 52, 55, and 56 had no impact on the financial statements.

A. Financial Reporting Entity

The Regional Superintendent is responsible for supervision and control of school districts within the Regional Office of Education #2. This includes all aspects of supervision, reports and financial accounting of districts which are considered by State law to be in the Service Region. In addition, the Regional Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teachers' meetings and assist in their management; evaluate the schools in the region; examine school treasurers' books, accounts, and vouchers; examine evidence of indebtedness; file and keep the returns of elections required to be returned to the Regional Superintendent's office; and file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #2's districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

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

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Concluded)

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the Regional Office of Education #2, or see that no payments are made unless the treasurer has filed or renewed appropriate bonds and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2009, the Regional Office of Education #2 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #2. Such activities are reported as a single major special revenue fund (Education Fund).

B. Scope of Reporting Entity

The Regional Office of Education #2's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #2 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Regional Office of Education #2, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education #2 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #2 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #2 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #2 being considered a component unit of the entity.

C. Government-Wide and Fund Financial Statements

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #2's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues.

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Concluded)

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

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

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

D. Proprietary Fund Financial Statements

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

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

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Proprietary Fund Financial Statements (Concluded)

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

E. Governmental Fund Financial Statements

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

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

F. Measurement Focus and Basis of Accounting

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

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

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #2; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Measurement Focus and Basis of Accounting (Concluded)

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

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

Under the terms of grant agreements, Alexander, Johnson, Massac, Pulaski, and Union Counties Regional Office of Education #2 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 resources available to finance the program. It is Alexander, Johnson, Massac, Pulaski, and Union Counties Regional Office of Education #2's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

G. Fund Accounting

The Regional Office of Education #2 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education #2 uses governmental, proprietary, and fiduciary funds.

Governmental Funds

Governmental funds are those through which most governmental functions of the Regional Office of Education #2 are typically reported. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as a fund balance.

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

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Continued)

The Regional Office of Education #2 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education #2. It is used to account for all financial resources, which benefit all school districts in the region except those required to be accounted for in another fund. General funds include the following:

Regional Office of Education/Intermediate Service Centers Operations - This fund accounts for the grant that provides funding for the Regional Office of Education #2.

Office Fund – This fund accounts for monies received from each of the five counties in the region for salaries, benefits, utilities, supplies, etc. of the Regional Office of Education #2.

Director’s Fund – This fund accounts for the interest monies earned from the Distributive Fund which are used for the benefit of the Regional Office of Education #2 and its schools.

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

Education - This fund is used to account for various grant and educational enhancement programs including the following:

Adult Education - This fund accounts for monies received from the Illinois Community College Board (ICCB) for academic and vocational adult education programs including the following:

Federal Basic - This fund accounts for federal monies received from the ICCB which provide for adult basic education (GED) services for adult education clients.

General Revenue - This fund accounts for monies accumulated over 35+ years from varying sources in order to support all functions of the Regional Office of Education #2’s adult education program.

Performance - This fund accounts for State monies received from the ICCB that can be used for any purpose that supports the adult education program.

Public Assistance - This fund accounts for State funds received from the ICCB for vocational training for adult education clients including computer and certified nurse assistant classes.

Adult State 3-1 - This fund accounts for State funds received from the ICCB for vocational training and can be used the same as Public Assistance funds.

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Accounting (Continued)

Governmental Funds (Continued)

Vocational Flow-Through - This fund accounts for State funding, as well as, the income generated from the operations of a print shop owned by the ROE which is utilized for the Adult Ed print shop class.

Area 6 South Tech Hub - This fund provides support for technology services for the Regional Office of Education #2 and the 19 school districts in its region.

English Language Learning Title III - This program provides training for administrators and teachers in schools who have English language learners. In-service includes legal requirements for ELL students as well as best classroom strategies for teachers.

Even Start - This fund assists schools in developing effective school-wide systems of behavior support by preventing misbehavior and teaching appropriate behavior and social skills.

Flexible Funding for Wraparound Plans - This fund provides services to at-risk clients from funds received from the Department of Children and Family Services.

General State Aid - This fund supports safe school and alternative education/adult education programs.

American Recovery and Reinvestment Act – This fund supports safe school and alternative education/adult education programs.

Department of Human Services/Southern Illinois Healthcare Kids in School - This fund provides head lice shampoo and supplies to families who can't afford them in order to get their children back into school.

McKinney Education for Homeless Children - The fund provides educational services and strives to heighten community awareness of the need to serve the homeless population.

Miscellaneous Grant Funds – This fund accounts for the revenue and expenditures of various federal, State, and local grant funds including the following: Kindergarten Standards Training, Title II – Teacher Quality, Title IV – Drug Awareness, Title V – Innovative Programs, Meth FOCUS grant, Standards Aligned Classroom, Southern Illinois Teaching – Quality Collaborative, and Wal-Mart grant.

Mathematics and Science Partnership – This program is a professional development program designed to improve the content knowledge and pedagogical skills of 5th through 12th grade teachers in mathematics and science.

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Accounting (Continued)

Governmental Funds (Continued)

Other State Programs - This fund provides services and programs to non-title schools as well as student, family, and community support services to all school districts in the Regional Office of Education #2's region on System of Support status. The fund also provides for the administrative costs for the direction of the program and grant management.

Regional Safe Schools - The fund provides instruction services and materials for safe school students referred to the Regional Office of Education #2 from local school districts.

Secretary of State Community Literacy - This fund provides volunteer tutoring services to individuals in the Regional Office of Education #2 area.

Service Fund - This fund accounts for local Masonic scholarship funds to provide scholarships to local high school graduates.

System of Support – Other State Programs – This program provides professional development and support to No Child Left Behind status schools. The focus of State programs is standards alignment, standards-aligned classrooms, and standards based curriculum.

System of Support – Title I School Improvement and Accountability – This fund supports the improvement of basic programs operated by the Regional Office of Education #2 by providing professional development for data analysis, school improvement plan/development, standards-aligned curriculum/instruction, and classroom assessment to System of Support status schools on the Academic Early Warning and Watch.

System of Support – Title II Teacher Quality Leadership Grant – This fund provides professional development to assist teachers in becoming better instructional leaders.

Title I – Migrant Incentive Grant & Title I – Migrant Education - These programs work with children of migrant families through the summer months to help them retain what was learned in the prior school year.

Title I – Reading First Part B SEA Funds - This fund provides comprehensive reading program training to teachers in order to facilitate student achievement in reading.

Truants Alternative/Optional Education – This fund provides alternative educational program services to truant students referred from local schools to the Regional Office of Education #2.

Workforce Investment Act – This program provides youth activities such as tutoring, summer employment opportunities, adult mentoring, and comprehensive guidance and counseling to individuals within the five county region.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Accounting (Continued)

Governmental Funds (Concluded)

Mentoring New Principals – This fund provides mentoring services for new principals.

Learn and Serve – This program encourages elementary and secondary schools and community-based agencies to create, develop, and offer service-learning opportunities for school-age youth. In addition, educate teachers about service and introduce young people to a broad range of careers and encourage them to pursue further education and training.

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

Institute - 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.

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

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

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

Proprietary Funds

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education #2 on a cost reimbursement basis are reported. The Regional Office of Education #2 reports the following nonmajor proprietary funds:

Workshops Fund - This fund accounts for the receipts and expenses pertaining to teacher meetings and workshops of a professional nature.

Fiduciary Funds

Agency Funds - Agency Funds are used to account for assets held by the Regional Office of Education #2 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds include the following:

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Accounting (Concluded)

Fiduciary Funds (Concluded)

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

H. Net Assets

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

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

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

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

I. Cash and Cash Equivalents

Cash and cash equivalents consists of cash on deposit. The Regional Office of Education #2 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

J. Inventory

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

K. Capital Assets

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

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

L. Interfund Receivables and Payables

The recordings of due from and due to other funds are a result of various borrowings between funds during the year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

M. Estimates

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

N. Budget Information

The Regional Office of Education #2 acts as the administrative agent for certain grant programs that are accounted for within the General Fund and the Education Fund. These programs have separate budgets and are required to report to the Illinois State Board of Education and Illinois Community College Board; however, none of the annual budgets have been legally adopted, nor are they required to do so. Certain programs within the General Fund and the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results for the following programs are presented as supplementary information: ROE/ISC Operations, Adult Education - Federal Basic, Adult Education - Performance, Adult Education - Public Assistance, Adult Education - State 3-1, Area 6 South Tech Hub, English Language Learning Title III, Even Start, McKinney Education for Homeless Children, Mathematics and Science Partnerships, Other State Programs, Regional Safe Schools, Secretary of State Community Literacy, System of Support – Other State Programs, System of Support Title I – School Improvement and Accountability, System of Support Title II – Teacher Quality – Leadership Grant, Title I – Migrant Education, Title I - Reading First Part B SEA Funds, Truants Alternative/Optional Education, and Workforce Investment Act.

NOTE 2: CASH AND CASH EQUIVALENTS

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

A. Cash Deposits

At June 30, 2009, the carrying amount of the Regional Office of Education #2's government-wide and fiduciary fund deposits were \$2,048,304 and \$0 respectively, and the bank balances were \$2,253,794 and \$1,654,907, respectively.

At June 30, 2009, \$1,031,198 of the Regional Office of Education #2's cash deposits was insured by the Federal Deposit Insurance Corporation. Another \$1,885,596 was collateralized by securities pledged by the Regional Office of Education #2's financial institution in the name of the Regional Office.

B. Investments

The Regional Office of Education #2 does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2009, the Regional Office of Education #2 had investments with carrying and fair value of \$991,907 invested in the Illinois Funds Money Market Fund.

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FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 2: CASH AND CASH EQUIVALENTS (CONCLUDED)

Credit Risk

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

Interest Rate Risk

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

Concentration of Credit Risk

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

NOTE 3: DEFINED BENEFIT PENSION PLAN

Plan Description. The Regional Office of Education #2'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 #2'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 #2'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 2008 was 8.14 percent of annual covered payroll. The Regional Office of Education #2 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 2008, the Regional Office of Education #2's annual pension cost of \$32,008 for the Regular plan was equal to the Regional Office of Education #2's required and actual contributions.

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NOTE 3: DEFINED BENEFIT PENSION PLAN (CONCLUDED)

THREE YEAR TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/08	\$ 32,008	100%	\$ 0
12/31/07	51,602	100%	0
12/31/06	63,457	100%	0

The required contribution for 2008 was determined as part of the December 31, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, 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 11.6% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education #2's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006, was 5 years.

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 81.32 percent funded. The actuarial accrued liability for benefits was \$1,087,791 and the actuarial value of assets was \$884,580, resulting in an unfunded actuarial accrued liability (UAAL) of \$203,211. The covered payroll (annual payroll of active employees covered by the plan) was \$393,216 and the ratio of the UAAL to the covered payroll was 52 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 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The Regional Office of Education #2 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois, maintains primary responsibility for 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.

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NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (CONTINUED)

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 through June 30, 2009, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2008 and 2007. In addition, virtually all members pay a contribution to the Teacher's Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not part of this retirement plan. The employer THIS Fund Contribution was 0.63 percent during the year ended June 30, 2009, and the member THIS Fund health insurance contribution was 0.84 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #2's TRS-covered employees.

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #2. For the year ended June 30, 2009, the State of Illinois contributions were based on 17.08 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #2 recognized revenue and expenditures of \$67,411 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2008 and June 30, 2007, the State of Illinois contribution rates as percentages of creditable earnings were 13.11 percent (\$73,960) and 9.78 percent (\$66,891), respectively. The state contributions to TRS for the years ended June 30, 2009 and June 30, 2008 were based on an actuarial formula. The state contribution for the year ended June 30, 2007 was based on dollar amounts specified by the statute and were not actuarially determined.

The Regional Office of Education #2 makes three other types of employer contributions directly to TRS.

- **2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ending June 30, 2009 were \$2,289. Contributions for the years ending June 30, 2008, and June 30, 2007, were \$3,272 and \$3,963, respectively.

Federal and trust fund contributions. When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #2, there is a statutory requirement for the Regional Office of Education #2 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 to TRS. For the year ended June 30, 2009, the employer pension contribution was 17.08 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2008 and 2007, the employer contribution was 13.11 and 9.78 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2009, salaries totaling \$162,984 were paid from federal and special trust funds that required employer contributions of \$27,838. For the years ended June 30, 2008 and June 30, 2007, required Regional Office of Education #2 contributions were \$35,890 and \$37,674, respectively.

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FOR THE YEAR ENDED JUNE 30, 2009

NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (CONTINUED)

- **Early retirement option.** The Regional Office of Education #2 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 and under which ERO program the member retires.

Under Public Act 94-0004, a "Pipeline ERO" program was provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies for the Pipeline ERO).

Under the Pipeline ERO, the maximum employer contribution is 100 percent of the member's highest salary used in the final average salary calculation. Under the Modified ERO, the maximum employer contribution is 117.5 percent. Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement. For the year ended June 30, 2009, the Regional Office of Education #2 paid no employer contributions to TRS under the ERO programs. For the years ended June 30, 2008 and June 30, 2007, the Regional Office of Education #2 paid no employer ERO contributions.

- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two additional employer contributions to TRS. 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 year ended June 30, 2009, the Regional Office of Education #2 paid no contributions to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2008 and June 30, 2007, the Regional Office of Education #2 paid no TRS for employer contributions due on salary increases in excess of 6 percent.

If Regional Office of Education #2 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, Regional Office of Education #2 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 (18.67 percent of salary during the year ended June 30, 2009). For the year ended June 30, 2009, the Regional Office of Education #2 paid no TRS contributions for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2008 and June 30, 2007, the Regional Office of Education #2 paid no employer contributions granted for sick leave days.

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, 2007. The report for the year ended June 30, 2008, is expected to be available in late 2009. The reports may be obtained by writing to the Teacher's Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5: COMPENSATED ABSENCES

Vacation pay and sick pay are considered expenditures in the year paid. An employee may accumulate an unlimited number of vacation days for use in future years; however, upon termination, with a few exceptions, employees will only be paid a maximum of twenty days. At June 30, 2009, the liability for unused vacation days was \$11,211, and is shown on the Statement of Net Assets. The amount of vacation pay that was used by the Regional Office of Education #2's employees and earned in prior years was \$5,983. Accumulated sick pay benefits are available to all full-time employees to use in future years. Unused sick pay is limited to a maximum of 48 days' pay. Upon termination, the employee is not compensated for any unused sick days; therefore, no accruals or reserves have been established.

NOTE 6: INTERFUND RECEIVABLES AND PAYABLES

Interfund due to / from other fund balances at June 30, 2009 consist of the following individual due to / from other funds in the governmental fund Balance Sheet. These balances were eliminated in the government-wide Statement of Net Assets.

Fund	Due From Other Funds	Due to Other Funds
General Fund		
School Director's Fund	\$ 300,108	\$ 135,325
Due to ROE/ISC Operations	-	31,946
Special Revenue Fund		
Institute	-	7,719
Bus Driver Permit	-	1,897
Education Fund		
Workforce Investment Act	-	18,604
Area 6 South Tech Hub	-	12,515
English Language Learning Title III	-	3,000
Secretary of State Community Literacy	-	30,398
Adult Ed Education Performance	-	7,535
Truants' Alternative and Optional Education	-	48,750
Adult Ed State 3-1	-	32,793
System of Support-Other State Programs	-	40,312
Miscellaneous Grant Funds	-	3,542
Regional Safe Schools	-	44,660
State Aid	135,325	
Even Start	-	7,404
Adult Ed Public Assistance	-	9,033
	<u>\$ 435,433</u>	<u>\$ 435,433</u>

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ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 7: DUE TO/DUE FROM OTHER GOVERNMENTAL UNITS

The Regional Office of Education #2's General Fund, Agency Fund, and various grant programs have funds due to and due from various other governmental units which consist of the following:

Due from Other Governmental Units:

General Fund		
Local Governments	\$	13,690
Illinois State Board of Education		31,946
Special Revenue Fund – Education Fund		
Illinois Community College Board		65,167
Illinois State Board of Education		205,084
Local Governments		22,828
Fiduciary Fund – Distributive Fund		
Illinois State Board of Education		5,682,180
Total	<u>\$</u>	<u>6,020,895</u>

Due to Other Governmental Units:

Special Revenue Fund – Education Fund		
Local School Districts	\$	13,087
Fiduciary Fund – Distributive Fund		
Local School Districts		5,682,180
Total	<u>\$</u>	<u>5,695,267</u>

NOTE 8: CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #2 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental fund statements. The following table provides a summary of changes in capital assets for the year ended June 30, 2009:

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ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 8: CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2008	Adjustments	Reclassified	Additions	Deletions	Balance June 30, 2009
Governmental Funds:						
<u>General Fund</u>						
ROE/ISC Operations	\$ 305,884	\$ (545)	\$ -	\$ -	\$ -	\$ 305,339
School Director's Fund	1,410	-	-	-	-	1,410
<u>Education Fund</u>						
Adult Education - Federal Basic	80,971	(6,687)	786	-	(4,668)	70,402
Adult Education - General Revenue	110,845	(534)	-	12,812	(7,488)	115,635
Adult Education - Performance	119,731	(14,441)	(786)	-	(5,576)	98,928
Adult Education - Public Assistance	16,812	(3,300)	-	-	-	13,512
Adult Education - State 3-1	79,153	(6,006)	599	1,096	(3,167)	71,675
Area 6 Tech Hub	2,696	-	-	-	-	2,696
Breakfast Grant	1,298	100	-	-	-	1,398
DCEO Grant - Eliminate the Digital Divide	32,248	(7,417)	-	-	(5,259)	19,572
Even Start	3,350	-	-	2,000	-	5,350
Federal Special Ed - IDEA Discretionary	14,185	(4,700)	(599)	-	(2,000)	6,886
Local Professional Development Committee	1,851	(1,851)	-	-	-	-
McKinney Education for Homeless Children	1,300	-	-	-	(1,300)	-
Near and Far Sciences in Illinois	5,600	-	-	-	-	5,600
Reading First - Academics	7,823	-	-	-	-	7,823
Regional Safe Schools	79,007	-	-	-	-	79,007
Scientific Literacy - Contractual	1,398	(1,398)	-	-	-	-
SOS FY05 Title V	2,949	-	-	-	-	2,949
SOS Title II	4,995	-	-	-	-	4,995
State Aid	29,744	(7,887)	-	-	(668)	21,189
Technology Literacy Challenge Fund	1,299	-	-	-	(1,299)	-
Title IV - School & Drug Free/ Violence Prevention	6,028	(735)	-	-	-	5,293
Governmental Funds						
Total Capital Assets	910,577	(55,401)	-	15,908	(31,425)	839,659
Less: Accumulated Depreciation	745,969	(55,401)	-	43,077	(31,425)	702,220
Governmental Funds						
Investment in Capital Assets, Net	<u>\$ 164,608</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,169)</u>	<u>\$ -</u>	<u>\$ 137,439</u>

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 8: CAPITAL ASSETS (CONCLUDED)

	Balance July 1, 2008	Adjustments	Additions	Deletions	Balance June 30, 2009
Business-type Activities:					
Registration Fund	\$ 16,122	\$ (630)	\$ -	\$ -	\$ 15,492
Business-type Activities					
Total Capital Assets	16,122	(630)	-	-	15,492
Less: Accumulated Depreciation	13,338	(630)	1,113	-	13,821
Business-type Activities					
Investment in Capital Assets, Net	<u>\$ 2,784</u>	<u>\$ -</u>	<u>\$ (1,113)</u>	<u>\$ -</u>	<u>\$ 1,671</u>

The column titled "Adjustments" represents fully depreciated assets which were disposed of in prior years, but had not been properly removed from the schedule until the current year. A prior period adjustment was not made since the net effect to the financial statements was zero.

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense of \$43,077 and \$1,113 was charged to the governmental activities and business-type activities, respectively, on the government-wide Statement of Activities for the year ended June 30, 2009. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

NOTE 9: DISTRIBUTIVE FUND INTEREST

A written agreement between the Regional Office of Education #2's school boards, which receive funds through the Regional Office of Education #2, provides for the retention of interest earned on the State Distributive Fund checking account by the Regional Superintendent to be used for the benefit of all of the districts in the region. During the year the distributive fund earned interest of \$8,236. At June 30, 2009 all accumulated interest had been distributed.

NOTE 10: RISK MANAGEMENT

The Regional Office of Education #2 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Regional Office of Education #2 has purchased commercial insurance to cover these risks. During the year ended June 30, 2009, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

NOTE 11: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURE

The Workforce Investment Act grant in the Major Special Revenue Fund, Education Fund has a deficit fund balance at June 30, 2009 of \$221. The Alexander-Johnson-Massac-Pulaski-Union Counties Regional Office of Education #2 will monitor expenses within this program during the course of the subsequent fiscal year.

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NOTE 11: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURE (CONCLUDED)

The Nonmajor Special Revenue Fund, Institute Fund has a deficit fund balance at June 30, 2009 of \$7,717. The Alexander-Johnson-Massac-Pulaski-Union Counties Regional Office of Education #2 will monitor expenses within this program during the course of the subsequent fiscal year.

The Nonmajor Special Revenue Fund, Bus Driver Permit Fund has a deficit fund balance at June 30, 2009 of \$1,891. The Alexander-Johnson-Massac-Pulaski-Union Counties Regional Office of Education #2 will monitor expenses within this program during the course of the subsequent fiscal year.

NOTE 12: ON-BEHALF PAYMENTS

The State of Illinois pays the following salaries and benefits on behalf of Regional Office of Education #2:

Regional Superintendent Salary	\$	96,435
Regional Superintendent Fringe Benefits (Includes State paid insurance)		12,105
Assistant Regional Superintendent Salary		75,942
Assistant Regional Superintendent Fringe Benefits (Includes State paid insurance)		6,903
TRS Pension Contributions		<u>67,411</u>
Total	\$	<u>258,796</u>

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

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

NOTE 13: TRANSFERS

At June 30, 2009 there were no interfund transfer in/out to other fund balances.

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

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
For the Year Ended June 30, 2009**

UNAUDITED

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/08	884,580	1,087,791	203,211	81.32%	393,216	51.68%
12/31/07	1,235,960	1,200,217	(35,743)	102.98%	471,252	0.00%
12/31/06	1,091,196	1,108,839	17,643	98.41%	492,678	3.58%

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$539,674. On a market basis, the funded ratio would be 49.63%.

Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2005-2007 Experience Study.

OTHER SUPPLEMENTAL INFORMATION

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2009

	ROE/ISC Operations	Office Fund	Director's Fund	TOTALS
ASSETS				
Cash	\$ -	\$ 157,991	\$ 2	\$ 157,993
Due from other funds	-	-	300,108	300,108
Due from other governments	31,946	13,690	-	45,636
TOTAL ASSETS	\$ 31,946	\$ 171,681	\$ 300,110	\$ 503,737
LIABILITIES				
Due to other funds	\$ 31,946	\$ -	\$ 135,325	\$ 167,271
Deferred revenue	-	-	-	-
TOTAL LIABILITIES	31,946	-	135,325	167,271
FUND BALANCES				
Unreserved	-	171,681	164,785	336,466
TOTAL FUND BALANCES	-	171,681	164,785	336,466
TOTAL LIABILITIES AND FUND BALANCES	\$ 31,946	\$ 171,681	\$ 300,110	\$ 503,737

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2009

	ROE/ISC Operations	Office Fund	Director's Fund	TOTALS
REVENUES				
Local sources	\$ -	\$ 93,677	\$ 9,170	\$ 102,847
State sources	72,546	-	-	72,546
State sources - payments made on behalf of region	258,796	-	-	258,796
Total Revenues	<u>331,342</u>	<u>93,677</u>	<u>9,170</u>	<u>434,189</u>
EXPENDITURES				
Salaries and benefits	70,359	4,916	2,132	77,407
Purchased services	2,191	49,770	18,239	70,200
Supplies and materials	-	6,002	2,761	8,763
Other objects	-	-	-	-
Payments made on behalf of region	258,796	-	-	258,796
Total Expenditures	<u>331,346</u>	<u>60,688</u>	<u>23,132</u>	<u>415,166</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(4)</u>	<u>32,989</u>	<u>(13,962)</u>	<u>19,023</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	-	-	-	-
Interest	4	708	8,740	9,452
Total Other Financing Sources (Uses)	<u>4</u>	<u>708</u>	<u>8,740</u>	<u>9,452</u>
NET CHANGE IN FUND BALANCES	-	33,697	(5,222)	28,475
FUND BALANCES - BEGINNING	-	137,984	170,007	307,991
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 171,681</u>	<u>\$ 164,785</u>	<u>\$ 336,466</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period July 1, 2008 to June 30, 2009)
GENERAL FUND ACCOUNTS
ROE/ISC OPERATIONS
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 72,546	\$ 72,546	\$ 72,546
State sources - payments made on behalf of region	258,796	258,796	258,796
Total Revenues	<u>331,342</u>	<u>331,342</u>	<u>331,342</u>
Expenditures:			
Current:			
Salaries and benefits	69,985	69,985	70,359
Purchased services	2,561	2,561	2,191
Payments made on behalf of region	258,796	258,796	258,796
Total Expenditures	<u>331,342</u>	<u>331,342</u>	<u>331,346</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(4)</u>
Other Financing Sources (Uses):			
Interest	<u>-</u>	<u>-</u>	<u>4</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2009

	Adult Education	Area 6 South Tech Hub	English Language Learning Title III	Even Start	Flexible Funding for Wraparound Plans
Assets					
Cash	\$ 126,627	\$ -	\$ -	\$ 114	\$ 1,954
Due from other funds	-	-	-	-	-
Due from other governments	65,167	12,515	3,000	7,290	-
Total Assets	<u>\$ 191,794</u>	<u>\$ 12,515</u>	<u>\$ 3,000</u>	<u>\$ 7,404</u>	<u>\$ 1,954</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and employee benefits	14,657	-	-	-	-
Due to other funds	49,361	12,515	3,000	7,404	-
Due to other governments	-	-	-	-	-
Deferred revenue	-	-	-	-	1,954
Total Liabilities	<u>64,018</u>	<u>12,515</u>	<u>3,000</u>	<u>7,404</u>	<u>1,954</u>
Fund Balances					
Unreserved	127,776	-	-	-	-
Total Fund Balances	<u>127,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 191,794</u>	<u>\$ 12,515</u>	<u>\$ 3,000</u>	<u>\$ 7,404</u>	<u>\$ 1,954</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2009

	General State Aid	ARRA	Kids in School (DHS)	McKinney Education for Homeless Children	Miscellaneous Grant Funds	Mathematics and Science Partnerships	Other State Programs
Assets							
Cash	\$ 1,160,385	\$ 87,931	\$ 1,888	\$ 13,087	\$ -	\$ -	\$ -
Due from other funds	135,325	-	-	-	-	-	-
Due from other governments	-	-	-	-	10,313	-	-
Total Assets	\$ 1,295,710	\$ 87,931	\$ 1,888	\$ 13,087	\$ 10,313	\$ -	\$ -
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and employee benefits	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	3,542	-	-
Due to other governments	-	-	-	13,087	-	-	-
Deferred revenue	-	-	1,888	-	6,771	-	-
Total Liabilities	-	-	1,888	13,087	10,313	-	-
Fund Balances							
Unreserved	1,295,710	87,931	-	-	-	-	-
Total Fund Balances	1,295,710	87,931	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 1,295,710	\$ 87,931	\$ 1,888	\$ 13,087	\$ 10,313	\$ -	\$ -

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2009

	Regional Safe Schools	Secretary of State Community Literacy	Service Fund	System of Support Other State Programs	System of Support Title I - School Improvement and Accountability	System of Support Title II Teacher Quality Leadership Grant	Title I Migrant Incentive Grant (08-4341-00)	Title I Migrant Incentive Grant (09-4341-00)
Assets								
Cash	\$ -	\$ -	\$ 7,122	\$ -	\$ 348,442	\$ 76,689	\$ -	\$ -
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	44,660	42,377	-	40,312	-	-	-	-
Total Assets	\$ 44,660	\$ 42,377	\$ 7,122	\$ 40,312	\$ 348,442	\$ 76,689	\$ -	\$ -
Liabilities								
Accounts payable	\$ -	\$ 11,979	\$ -	\$ -	\$ 169,394	\$ 29,226	\$ -	\$ -
Accrued payroll and employee benefits	-	-	-	-	-	-	-	-
Due to other funds	44,660	30,398	-	40,312	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	179,048	47,463	-	-
Total Liabilities	44,660	42,377	-	40,312	348,442	76,689	-	-
Fund Balances								
Unreserved	-	-	7,122	-	-	-	-	\$ -
Total Fund Balances	-	-	7,122	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 44,660	\$ 42,377	\$ 7,122	\$ 40,312	\$ 348,442	\$ 76,689	\$ -	\$ -

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2009

	Title I Migrant Education (08-4340-01)	Title I Migrant Education (09-4340-01)	Title I Reading First Part B SEA Funds (08-4337-00)	Truants Alternative/ Optional Education	Workforce Investment Act	Mentoring New Principals	Learn and Serve	Total
Assets								
Cash	\$ -	\$ 29,566	\$ -	\$ (312)	\$ -	\$ 6,531	\$ -	\$ 1,860,024
Due from other funds	-	-	-	-	-	-	-	135,325
Due from other governments	-	-	-	49,062	18,383	-	-	293,079
Total Assets	<u>\$ -</u>	<u>\$ 29,566</u>	<u>\$ -</u>	<u>\$ 48,750</u>	<u>\$ 18,383</u>	<u>\$ 6,531</u>	<u>\$ -</u>	<u>\$ 2,288,428</u>
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,599
Accrued payroll and employee benefits	-	-	-	-	-	-	-	14,657
Due to other funds	-	-	-	48,750	18,604	-	-	258,546
Due to other governments	-	-	-	-	-	-	-	13,087
Deferred revenue	-	29,566	-	-	-	6,531	-	273,221
Total Liabilities	<u>-</u>	<u>29,566</u>	<u>-</u>	<u>48,750</u>	<u>18,604</u>	<u>6,531</u>	<u>-</u>	<u>770,110</u>
Fund Balances								
Unreserved	-	-	-	-	(221)	-	-	1,518,318
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(221)</u>	<u>-</u>	<u>-</u>	<u>1,518,318</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 29,566</u>	<u>\$ -</u>	<u>\$ 48,750</u>	<u>\$ 18,383</u>	<u>\$ 6,531</u>	<u>\$ -</u>	<u>\$ 2,288,428</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2009

	Adult Education	Area 6 South Tech Hub	English Language Learning Title III	Even Start	Flexible Funding for Wraparound Plans
Revenues:					
Local sources	\$ 22,924	\$ -	\$ -	\$ -	\$ -
State sources	337,252	12,515	-	-	-
Federal sources	214,278	-	6,000	80,500	-
Total Revenues	574,454	12,515	6,000	80,500	-
Expenditures:					
Salaries and benefits	426,667	12,152	-	63,465	-
Purchased services	78,182	363	3,982	10,938	25
Supplies and materials	80,689	-	2,023	4,104	-
Other objects	-	-	-	-	-
Capital outlay	13,908	-	-	2,000	-
Payments to other governments	-	-	-	-	-
Total Expenditures	599,446	12,515	6,005	80,507	25
Excess (Deficiency) of Revenues Over Expenditures	(24,992)	-	(5)	(7)	(25)
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Interest	3,034	-	5	7	25
Total Other Financing Sources (Uses)	3,034	-	5	7	25
Net Change in Fund Balance	(21,958)	-	-	-	-
Fund Balance - Beginning	149,734	-	-	-	-
Fund Balance - Ending	\$ 127,776	\$ -	\$ -	\$ -	\$ -

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2009

	General State Aid	ARRA	Kids in School (DHS)	McKinney Education for Homeless Children	Miscellaneous Grant Funds	Mathematics and Science Partnerships	Other State Programs
Revenues:							
Local sources	\$ 25,786	\$ -	\$ -	\$ -	\$ 27,751	\$ -	\$ -
State sources	298,897	-	-	-	-	-	62,906
Federal sources	27,878	87,931	-	10,123	5,642	6,845	-
Total Revenues	<u>352,561</u>	<u>87,931</u>	<u>-</u>	<u>10,123</u>	<u>33,393</u>	<u>6,845</u>	<u>62,906</u>
Expenditures:							
Salaries and benefits	6,372	-	-	6,107	24,527	60	7,783
Purchased services	101,578	-	-	488	6,838	6,785	-
Supplies and materials	34,472	-	-	3,537	2,028	-	-
Other objects	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Payments to other governments	-	-	-	-	-	-	55,413
Total Expenditures	<u>142,422</u>	<u>-</u>	<u>-</u>	<u>10,132</u>	<u>33,393</u>	<u>6,845</u>	<u>63,196</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>210,139</u>	<u>87,931</u>	<u>-</u>	<u>(9)</u>	<u>-</u>	<u>-</u>	<u>(290)</u>
Other Financing Sources (Uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Interest	33,628	-	-	9	-	-	290
Total Other Financing Sources (Uses)	<u>33,628</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>-</u>	<u>290</u>
Net Change in Fund Balance	243,767	87,931	-	-	-	-	-
Fund Balance - Beginning	<u>1,051,943</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,295,710</u>	<u>87,931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2009

	Regional Safe Schools	Secretary of State Community Literacy	Service Fund	System of Support Other State Programs	System of Support Title I - School Improvement and Accountability	System of Support Title II Teacher Quality Leadership Grant	Title I Migrant Incentive Grant (08-4341-00)	Title I Migrant Incentive Grant (09-4341-00)
Revenues:								
Local sources	\$ -	\$ -	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	111,656	42,377	-	125,052	-	-	-	-
Federal sources	-	-	-	-	861,639	135,536	2,500	2,500
Total Revenues	<u>111,656</u>	<u>42,377</u>	<u>600</u>	<u>125,052</u>	<u>861,639</u>	<u>135,536</u>	<u>2,500</u>	<u>2,500</u>
Expenditures:								
Salaries and benefits	90,575	26,979	-	49,442	123,331	-	-	-
Purchased services	13,186	13,737	-	73,357	217,018	4,716	-	-
Supplies and materials	7,933	1,769	-	988	-	369	2,500	2,500
Other objects	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Payments to other governments	-	-	-	1,265	521,415	130,510	-	-
Total Expenditures	<u>111,694</u>	<u>42,485</u>	<u>-</u>	<u>125,052</u>	<u>861,764</u>	<u>135,595</u>	<u>2,500</u>	<u>2,500</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(38)</u>	<u>(108)</u>	<u>600</u>	<u>-</u>	<u>(125)</u>	<u>(59)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Interest	38	108	52	-	125	59	-	-
Total Other Financing Sources (Uses)	<u>38</u>	<u>108</u>	<u>52</u>	<u>-</u>	<u>125</u>	<u>59</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>6,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2009

	Title I Migrant Education (08-4340-01)	Title I Migrant Education (09-4340-01)	Title I Reading First Part B SEA Funds (08-4337-00)	Truants Alternative/ Optional Education	Workforce Investment Act	Mentoring New Principals	Learn and Serve	Total
Revenues:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 12	\$ -	\$ -	\$ 77,073
State sources	-	-	-	163,542	-	-	3,449	1,157,646
Federal sources	23,389	8,861	7,406	-	18,436	-	-	1,499,464
Total Revenues	23,389	8,861	7,406	163,542	18,448	-	3,449	2,734,183
Expenditures:								
Salaries and benefits	15,005	1,847	-	97,144	15,581	-	3,230	970,267
Purchased services	5,633	7,014	6,862	57,184	2,393	-	100	610,379
Supplies and materials	2,751	-	544	9,526	695	-	153	156,581
Other objects	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	15,908
Payments to other governments	-	-	-	-	-	-	-	708,603
Total Expenditures	23,389	8,861	7,406	163,854	18,669	-	3,483	2,461,738
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	(312)	(221)	-	(34)	272,445
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Interest	-	-	-	312	-	-	34	37,726
Total Other Financing Sources (Uses)	-	-	-	312	-	-	34	37,726
Net Change in Fund Balance	-	-	-	-	(221)	-	-	310,171
Fund Balance - Beginning	-	-	-	-	-	-	-	1,208,147
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -	\$ (221)	\$ -	\$ -	\$ 1,518,318

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
ADULT EDUCATION PROGRAMS
June 30, 2009**

	Federal Basic	General Revenue	Performance	Public Assistance	Adult State 3-1	Vocational Flow-Through	Total
Assets							
Cash	\$ -	\$ 127,776	\$ -	\$ -	\$ (1,149)	\$ -	\$ 126,627
Due from other governments	-	-	7,535	9,033	48,599	-	65,167
Total Assets	<u>\$ -</u>	<u>\$ 127,776</u>	<u>\$ 7,535</u>	<u>\$ 9,033</u>	<u>\$ 47,450</u>	<u>\$ -</u>	<u>\$ 191,794</u>
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and employee benefits	-	-	-	-	14,657	-	14,657
Due to other funds	-	-	7,535	9,033	32,793	-	49,361
Deferred revenue	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>7,535</u>	<u>9,033</u>	<u>47,450</u>	<u>-</u>	<u>64,018</u>
Fund Balances							
Unreserved	-	127,776	-	-	-	-	127,776
Total Fund Balances	<u>-</u>	<u>127,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,776</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 127,776</u>	<u>\$ 7,535</u>	<u>\$ 9,033</u>	<u>\$ 47,450</u>	<u>\$ -</u>	<u>\$ 191,794</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
ADULT EDUCATION PROGRAMS
For the Year Ended June 30, 2009

	Federal Basic	General Revenue	Performance	Public Assistance	Adult State 3-1	Vocational Flow-Through	Total
Revenues:							
Local sources	\$ -	\$ 22,924	\$ -	\$ -	\$ -	\$ -	\$ 22,924
State sources	-	-	34,688	36,131	210,597	55,836	337,252
Federal sources	214,278	-	-	-	-	-	214,278
Total Revenues	<u>214,278</u>	<u>22,924</u>	<u>34,688</u>	<u>36,131</u>	<u>210,597</u>	<u>55,836</u>	<u>574,454</u>
Expenditures:							
Salaries and benefits	161,640	19,443	3,703	28,670	159,341	53,870	426,667
Purchased services	12,563	3,310	23,833	7,103	29,407	1,966	78,182
Supplies and materials	40,113	12,300	7,152	358	20,766	-	80,689
Capital outlay	-	12,812	-	-	1,096	-	13,908
Total Expenditures	<u>214,316</u>	<u>47,865</u>	<u>34,688</u>	<u>36,131</u>	<u>210,610</u>	<u>55,836</u>	<u>599,446</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(38)</u>	<u>(24,941)</u>	<u>-</u>	<u>-</u>	<u>(13)</u>	<u>-</u>	<u>(24,992)</u>
Other Financing Sources (Uses):							
Interest	38	2,983	-	-	13	-	3,034
Total Other Financing Sources (Uses)	<u>38</u>	<u>2,983</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>3,034</u>
Net Changes in Fund Balances	-	(21,958)	-	-	-	-	(21,958)
Fund Balances - Beginning	-	149,734	-	-	-	-	149,734
Fund Balances - Ending	<u>\$ -</u>	<u>\$ 127,776</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 127,776</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2008 to June 30, 2009)
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - FEDERAL BASIC
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 233,725	\$ 233,725	\$ 214,278
Total Revenues	<u>233,725</u>	<u>233,725</u>	<u>214,278</u>
Expenditures:			
Salaries and benefits	199,288	199,288	161,640
Purchased services	11,417	11,417	12,563
Supplies and materials	23,020	11,417	40,113
Total Expenditures	<u>233,725</u>	<u>222,122</u>	<u>214,316</u>
Other Financing Sources (Uses):			
Interest	-	-	38
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>38</u>
Net Change in Fund Balances	-	11,603	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ 11,603</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2008 to June 30, 2009)
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - PERFORMANCE
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 41,877	\$ 41,877	\$ 34,688
Total Revenues	<u>41,877</u>	<u>41,877</u>	<u>34,688</u>
Expenditures:			
Salaries and benefits	4,873	4,873	3,703
Purchased services	18,857	18,857	23,833
Supplies and materials	18,147	18,147	7,152
Total Expenditures	<u>41,877</u>	<u>41,877</u>	<u>34,688</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2008 to June 30, 2009)
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - PUBLIC ASSISTANCE
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 36,131	\$ 36,131	\$ 36,131
Total Revenues	<u>36,131</u>	<u>36,131</u>	<u>36,131</u>
Expenditures:			
Salaries and benefits	33,953	33,953	28,670
Purchased services	1,928	1,928	7,103
Supplies and materials	250	250	358
Total Expenditures	<u>36,131</u>	<u>36,131</u>	<u>36,131</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2008 to June 30, 2009)
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - STATE 3-1
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 222,441	\$ 222,441	\$ 210,597
Total Revenues	<u>222,441</u>	<u>222,441</u>	<u>210,597</u>
Expenditures:			
Salaries and benefits	192,807	192,807	159,341
Purchased services	25,634	25,634	29,407
Supplies and materials	4,000	4,000	19,670
Capital outlay	-	-	2,192
Total Expenditures	<u>222,441</u>	<u>222,441</u>	<u>210,610</u>
Other Financing Sources (Uses):			
Interest	-	-	13
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>13</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2008 to June 30, 2009)
EDUCATION FUND ACCOUNTS
AREA 6 SOUTH TECH HUB
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 12,510	\$ 12,510	\$ 12,515
Total Revenues	<u>12,510</u>	<u>12,510</u>	<u>12,515</u>
Expenditures:			
Salaries and benefits	12,077	12,077	12,152
Purchased services	433	433	363
Total Expenditures	<u>12,510</u>	<u>12,510</u>	<u>12,515</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2008 to June 30, 2009)
EDUCATION FUND ACCOUNTS
ENGLISH LANGUAGE LEARNING TITLE III
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 6,000	\$ 6,000	\$ 6,000
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>
Expenditures:			
Purchased services	4,500	4,500	3,982
Supplies and materials	1,500	1,500	2,023
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>6,005</u>
Other Financing Sources (Uses):			
Interest	-	-	5
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>5</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the period July 1, 2008 through June 30, 2009)
EDUCATION FUND ACCOUNTS
EVEN START
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 80,500	\$ 80,500	\$ 80,500
Total Revenues	<u>80,500</u>	<u>80,500</u>	<u>80,500</u>
Expenditures:			
Salaries and benefits	61,953	61,953	63,465
Purchased services	12,254	14,254	10,938
Supplies and materials	4,293	2,293	4,104
Capital outlay	2,000	2,000	2,000
Payments to other governments	-	-	-
Total Expenditures	<u>80,500</u>	<u>80,500</u>	<u>80,507</u>
Other Financing Sources (Uses):			
Interest	-	-	7
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>7</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2008 to June 30, 2009)
EDUCATION FUND ACCOUNTS
MCKINNEY EDUCATION FOR HOMELESS CHILDREN
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 23,210	\$ 23,210	\$ 10,123
Total Revenues	<u>23,210</u>	<u>23,210</u>	<u>10,123</u>
Expenditures:			
Salaries and benefits	11,587	11,587	6,107
Purchased services	1,435	1,435	488
Supplies and materials	10,188	10,188	3,537
Total Expenditures	<u>23,210</u>	<u>23,210</u>	<u>10,132</u>
Other Financing Sources (Uses):			
Interest	-	-	9
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>9</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of September 1, 2007 to August 31, 2008)
EDUCATION FUND ACCOUNTS
MATHEMATICS AND SCIENCE PARTNERSHIPS
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 93,009	\$ 93,009	\$ 6,845
Total Revenues	<u>93,009</u>	<u>93,009</u>	<u>6,845</u>
Expenditures:			
Salaries and benefits	20,167	20,167	60
Purchased services	30,016	30,016	6,785
Supplies and materials	250	250	-
Payments to other governments	42,576	42,576	-
Total Expenditures	<u>93,009</u>	<u>93,009</u>	<u>6,845</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2008 to August 31, 2008)
EDUCATION FUND ACCOUNTS
OTHER STATE PROGRAMS
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 197,713	\$ 197,713	\$ 62,906
Total Revenues	<u>197,713</u>	<u>197,713</u>	<u>62,906</u>
Expenditures:			
Salaries and benefits	28,161	28,161	7,783
Purchased services	65,970	22,576	-
Supplies and materials	2,529	2,529	-
Payments to other governments	101,053	144,447	55,413
Total Expenditures	<u>197,713</u>	<u>197,713</u>	<u>63,196</u>
Other Financing Sources (Uses):			
Interest	-	-	290
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>290</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2008 to June 30, 2009)
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 111,656	\$ 111,656	\$ 111,656
Total Revenues	<u>111,656</u>	<u>111,656</u>	<u>111,656</u>
Expenditures:			
Salaries and benefits	87,919	87,919	90,575
Purchased services	14,961	14,961	13,186
Supplies and materials	8,776	8,776	7,933
Total Expenditures	<u>111,656</u>	<u>111,656</u>	<u>111,694</u>
Other Financing Sources (Uses):			
Interest	-	-	38
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>38</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2008 to June 30, 2009)
EDUCATION FUND ACCOUNTS
SECRETARY OF STATE COMMUNITY LITERACY
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 48,600	\$ 48,600	\$ 42,377
Total Revenues	<u>48,600</u>	<u>48,600</u>	<u>42,377</u>
Expenditures:			
Salaries and benefits	32,850	32,850	26,979
Purchased services	15,079	15,079	13,737
Supplies and materials	671	671	1,769
Total Expenditures	<u>48,600</u>	<u>48,600</u>	<u>42,485</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(108)</u>
Other Financing Sources (Uses):			
Interest	-	-	108
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>108</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of September 1, 2008 to August 31, 2009)
EDUCATION FUND ACCOUNTS
SYSTEM OF SUPPORT - OTHER STATE PROGRAMS
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 197,713	\$ 197,713	\$ 125,052
Total Revenues	<u>197,713</u>	<u>197,713</u>	<u>125,052</u>
Expenditures:			
Salaries and benefits	36,672	36,672	49,442
Purchased services	27,598	27,598	73,357
Supplies and materials	1,283	1,283	988
Payments to other governments	132,160	132,160	1,265
Total Expenditures	<u>197,713</u>	<u>197,713</u>	<u>125,052</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2008 to August 31, 2009)
EDUCATION FUND ACCOUNTS
SYSTEM OF SUPPORT - TITLE I - SCHOOL IMPROVEMENT AND ACCOUNTABILITY
For the Year Ended June 30, 2009

	Budgeted Amounts				Actual Amounts
	Original		Final		
	09/01/07 08/31/08	09/01/08 08/31/09	09/01/07 08/31/08	09/01/08 08/31/09	
Revenues:					
Federal sources	\$ 944,367	\$ 939,783	\$ 944,367	\$ 939,783	\$ 861,639
Total Revenues	<u>944,367</u>	<u>939,783</u>	<u>944,367</u>	<u>939,783</u>	<u>861,639</u>
Expenditures:					
Salaries and benefits	153,793	175,443	153,793	175,443	123,331
Purchased services	281,169	272,555	281,169	272,555	217,018
Supplies and materials	8,635	8,700	8,635	8,700	-
Payments to other governments	500,770	483,085	500,770	483,085	521,415
Total Expenditures	<u>944,367</u>	<u>939,783</u>	<u>944,367</u>	<u>939,783</u>	<u>861,764</u>
Other Financing Sources (Uses):					
Interest	-	-	-	-	125
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125</u>
Net Change in Fund Balances	-	-	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2008 to August 31, 2009)
EDUCATION FUND ACCOUNTS
SYSTEM OF SUPPORT - TITLE II - TEACHER QUALITY - LEADERSHIP GRANT
For the Year Ended June 30, 2009

	Budgeted Amounts				Actual Amounts
	Original		Final		
	09/01/07 08/31/08	09/01/08 08/31/09	09/01/07 08/31/08	09/01/08 08/31/09	
Revenues:					
Federal sources	\$ 141,593	\$ 156,177	\$ 141,593	\$ 156,177	\$ 135,536
Total Revenues	<u>141,593</u>	<u>156,177</u>	<u>141,593</u>	<u>156,177</u>	<u>135,536</u>
Expenditures:					
Purchased services	20,585	34,947	20,585	34,947	4,716
Supplies and materials	1,495	1,500	1,495	1,500	369
Capital outlay	5,000	-	5,000	-	-
Payments to other governments	114,513	119,730	114,513	119,730	130,510
Total Expenditures	<u>141,593</u>	<u>156,177</u>	<u>141,593</u>	<u>156,177</u>	<u>135,595</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Interest	-	-	-	-	59
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59</u>
Net Change in Fund Balances	-	-	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of September 1, 2007 to August 31, 2008)
EDUCATION FUND ACCOUNTS
TITLE I - MIGRANT EDUCATION (08-4340-02) (FY2008)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 33,660	\$ 33,660	\$ 25,866
Total Revenues	<u>33,660</u>	<u>33,660</u>	<u>25,866</u>
Expenditures:			
Salaries and benefits	14,585	14,585	15,005
Purchased services	15,375	15,375	3,110
Supplies and materials	3,700	3,700	7,751
Total Expenditures	<u>33,660</u>	<u>33,660</u>	<u>25,866</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of September 1, 2008 to August 31, 2009)
EDUCATION FUND ACCOUNTS
TITLE I - MIGRANT EDUCATION (09-4340-02) (FY2009)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 38,450	\$ 38,450	\$ 11,384
Total Revenues	<u>38,450</u>	<u>38,450</u>	<u>11,384</u>
Expenditures:			
Current:			
Salaries and benefits	20,451	20,451	1,847
Purchased services	14,249	14,249	9,537
Supplies and materials	3,750	3,750	-
Other	-	-	-
Total Expenditures	<u>38,450</u>	<u>38,450</u>	<u>11,384</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2007 to September 31, 2008)
EDUCATION FUND ACCOUNTS
TITLE I - READING FIRST PART B SEA FUNDS
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 34,200	\$ 34,200	\$ 7,406
Total Revenues	<u>34,200</u>	<u>34,200</u>	<u>7,406</u>
Expenditures:			
Salaries and benefits	1,647	1,647	-
Purchased services	23,608	23,608	6,862
Supplies and materials	8,945	8,945	544
Total Expenditures	<u>34,200</u>	<u>34,200</u>	<u>7,406</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2008 to June 30, 2009)
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 163,542	\$ 163,542	\$ 163,542
Total Revenues	<u>163,542</u>	<u>163,542</u>	<u>163,542</u>
Expenditures:			
Salaries and benefits	93,510	93,510	97,144
Purchased services	54,337	54,337	57,184
Supplies and materials	15,695	15,695	9,526
Total Expenditures	<u>163,542</u>	<u>163,542</u>	<u>163,854</u>
Other Financing Sources (Uses):			
Interest	-	-	312
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>312</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period July 1, 2008 to June 30, 2009)
EDUCATION FUND ACCOUNTS
WORKFORCE INVESTMENT ACT
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Local sources	\$ -	\$ -	\$ 12
Federal sources	48,001	48,001	18,436
Total Revenues	<u>48,001</u>	<u>48,001</u>	<u>18,448</u>
Expenditures:			
Salaries and benefits	11,001	11,001	15,581
Purchased services	36,000	36,000	2,393
Supplies and materials	1,000	1,000	695
Total Expenditures	<u>48,001</u>	<u>48,001</u>	<u>18,669</u>
Net Change in Fund Balances	-	-	(221)
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (221)</u></u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2009

	Institute	Bus Driver Permit	Supervisory	General Education Development	Totals
Assets					
Cash	\$ 2	\$ 6	\$ -	\$ 682	\$ 690
Total Assets	<u>\$ 2</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 682</u>	<u>\$ 690</u>
Liabilities:					
Due to other funds	\$ 7,719	\$ 1,897	\$ -	\$ -	\$ 9,616
Fund Balances:					
Reserved	-	-	-	-	-
Unreserved	(7,717)	(1,891)	-	682	(8,926)
Total Liabilities and Fund Balances	<u>\$ 2</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 682</u>	<u>\$ 690</u>

REGIONAL OFFICE OF EDUCATION #2
 ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended June 30, 2009

	Institute	Bus Driver Permit	Supervisory	General Education Development	Totals
Revenue:					
Local sources	\$ 5,619	\$ 1,031	\$ -	\$ 6,907	\$ 13,557
State sources	-	850	5,000	-	5,850
Total Revenues	<u>5,619</u>	<u>1,881</u>	<u>5,000</u>	<u>6,907</u>	<u>19,407</u>
Expenditures:					
Salaries and benefits	9	1,891	-	1,130	3,030
Purchased services	11,673	2,291	5,000	1,087	20,051
Supplies and materials	648	-	21	3,139	3,808
Total Expenditures	<u>12,330</u>	<u>4,182</u>	<u>5,021</u>	<u>5,356</u>	<u>26,889</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,711)</u>	<u>(2,301)</u>	<u>(21)</u>	<u>1,551</u>	<u>(7,482)</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Interest	39	-	21	-	60
Total Other Financing Sources (Uses)	<u>39</u>	<u>-</u>	<u>21</u>	<u>-</u>	<u>60</u>
NET CHANGE IN FUND BALANCES	(6,672)	(2,301)	-	1,551	(7,422)
Fund Balance - Beginning	<u>(1,045)</u>	<u>410</u>	<u>-</u>	<u>(869)</u>	<u>(1,504)</u>
Fund Balance - Ending	<u>\$ (7,717)</u>	<u>\$ (1,891)</u>	<u>\$ -</u>	<u>\$ 682</u>	<u>\$ (8,926)</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
For the Year Ended June 30, 2009

	Balance 6/30/08	Additions	Deductions	Balance 6/30/09
<u>Distributive Fund</u>				
Assets				
Cash	\$ 12,534	\$ 57,511,624	\$ 57,524,158	\$ -
Due from other governments	2,160,238	5,682,180	2,160,238	5,682,180
Total Assets	<u>\$ 2,172,772</u>	<u>\$ 63,193,804</u>	<u>\$ 59,684,396</u>	<u>\$ 5,682,180</u>
Liabilities				
Due to other governments	\$ 2,172,772	\$ 63,193,804	\$ 59,684,396	\$ 5,682,180
Total Liabilities	<u>\$ 2,172,772</u>	<u>\$ 63,193,804</u>	<u>\$ 59,684,396</u>	<u>\$ 5,682,180</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
For the Year Ended June 30, 2009

DISTRIBUTIONS	Acct. No.	Total	1 Cairo SD #1	2 Egyptian CUSD 5	3 Goreville CUD 1	4 New Simpson Hill CD 32	5 Buncombe CSD
Local Funds							
Distributive Fund Interest	1510	\$ 8,236	\$ -	\$ -	\$ -	\$ -	\$ -
Total Local Funds		<u>8,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
State Funds							
General State Aid - Sec. 18-8	3001	29,826,875	3,383,501	2,382,374	1,491,815	1,021,453	225,146
General State Aid - Hold Harmless	3002	366,352					
Transition Assistance	3099	63,969	63,969				
Sp. Ed. - Private Facility Tuition	3100	22,840					
Sp. Ed. - Extraordinary	3105	1,217,168	148,056	69,266	62,901	41,164	7,694
Sp. Ed. - Personnel	3110	1,060,771	107,459	113,961	79,571	16,503	13,242
Sp. Ed. - Orphanage - Individual	3120	188,310		3,215			
Sp. Ed. - Summer School	3145	5,349	5,141				
Bilingual Ed. - Downstate	3305	9,954					
State Free Lunch & Breakfast	3360	111,494	17,979	8,944	4,629	2,872	792
School Breakfast Incentive	3365	5,066	13	251	276	123	41
Driver Education	3370	106,014	5,899	7,634	7,416		
Transportation - Regular	3500	2,038,848	116,827	175,822	229,919	127,624	34,103
Transportation - Special Education	3510	644,939	47,844	41,386	34,057	1,368	1,812
ROE School Bus Driver Training	3520	850					
National BD Cert. Initiatives	3651	13,000				10,000	
Trants Alternative/Operational Ed.	3695	161,324	46,844				
Regional Safe Schools Program	3696	66,996					
Early Childhood - State Preschool At Risk	3705	2,072,447	281,504	166,750	119,148	60,924	
K-6 Reading Improvement	3715	364,587	46,101	32,170	18,232	12,162	
Reading Improvement Block Reco	3720	12,500					
ROE/ESC Operations	3730	43,861					
Supervisory Expense	3745	5,000					
ADA Safety & Education Block Grant	3775	292,495	19,340	19,514	19,619	8,797	2,347
Summer Bridges Program	3825	43,000					
School Infrastructure/Maintenance Grant	3925	-					
Arts and Foreign Language	3962	28,289		28,289			
Class Size Reduction	3981	78,056					
Children's Mental Health Partnership	3990	37,785		37,785			
Education Facilities Grant	3999	84,740					
Total State Funds		<u>38,972,879</u>	<u>4,290,477</u>	<u>3,087,361</u>	<u>2,067,583</u>	<u>1,302,990</u>	<u>285,177</u>
Federal Funds							
Forest Reserve	4001	859	10	187	20	122	13
Title VI - Formula	4100	11,509					
Title VI - Rural Education Init.	4107	106,057	15,259				
National School Lunch Program	4210	1,719,115	181,282	123,470	79,193	47,597	12,290
School Breakfast Program	4220	738,922	100,437	58,511	30,036	16,017	7,295
Summer Food Service Program	4225	8,965	8,965				
Fresh Fruits and Vegetables	4240	43,509					
Child Nutrition Comm/Salvage	4250	453					
IASA - Title I - Low Income	4300	3,580,402	700,123	468,721	92,925	33,504	18,956
IASA - Title I - School Improvement	4331	1,005,768					
IASA - Even Start	4335	78,809					
Illinois Reading First	4337	9,414					
School Improvement Grant - Section 1003	4339	492,000					
IASA - Title I - Migrant Education	4340	38,450					
IASA - Title I - Migrant Incentive	4341	2,500					
IASA - Drug Free Schools - Formula	4400	42,704	7,849	3,866	904	704	329
Title IV - 21 Century CLC	4421	77,697		77,697			
Fed. - Sp. Ed. - Pre-School Flow Through	4600	32,715					
Fed. - Sp. Ed. - IDEA - Flow Through	4620	577,393					
Fed. - Sp. Ed. - IDEA - Room & Board	4625	139,173		7,617		3,999	1,862
ARRA - General State Aid	4850	8,817,715	1,000,264	704,301	441,025	301,972	66,560
Title II - Teacher Quality	4932	847,603	183,950	88,609	28,803	16,731	5,932
IASA - Title II - Teacher Quality - Leadership	4935	118,726					
Math & Science Partnerships	4936	19,879					
Technology Enhancing Education - Formula	4971	29,706	9,490	4,271		312	
Lincoln-Academic Awards	4999	3,000					
Total Federal Funds		<u>18,543,043</u>	<u>2,207,629</u>	<u>1,537,250</u>	<u>672,906</u>	<u>420,958</u>	<u>113,237</u>
TOTAL DISTRIBUTIONS		<u>\$ 57,524,158</u>	<u>\$ 6,498,106</u>	<u>\$ 4,624,611</u>	<u>\$ 2,740,489</u>	<u>\$ 1,723,948</u>	<u>\$ 398,414</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
For the Year Ended June 30, 2009

DISTRIBUTIONS	Acct. No.	6 Vienna SD 55	7 Cypress School Dist. #64	8 Janet Ulrich Reg. Supt. of Schools	9 Vienna High School Dist. 13-3	10 Massac UD 1	11 Joppa-Maple Grove UD 38
Local Funds							
Distributive Fund Interest	1510	\$	\$	\$		\$	\$
Total Local Funds		-	-	-	-	-	-
State Funds							
General State Aid - Sec. 18-3	3001		501,742		1,180,197	6,945,853	244,569
General State Aid - Hold Harmless	3002						
Transition Assistance	3099						
Sp. Ed. - Private Facility Tuition	3100					13,742	
Sp. Ed. - Extraordinary	3105		26,054		42,693	292,726	32,409
Sp. Ed. - Personnel	3110		16,189		19,040	217,729	44,638
Sp. Ed. - Orphanage - Individual	3120					84,977	
Sp. Ed. - Summer School	3145					208	
Bilingual Ed. - Downstate	3305						
State Free Lunch & Breakfast	3360		1,445	1,479	2,678	19,275	4,701
School Breakfast Incentive	3365		117	108	106	2,043	220
Driver Education	3370				15,362	25,397	3,878
Transportation - Regular	3500	44,066	60,426		77,803	383,599	104,005
Transportation - Special Education	3510		6,572		10,109	186,465	9,469
ROE School Bus Driver Training	3520						
National BD Cert. Initiatives	3651					3,000	
Truants Alternative/Operational Ed.	3695						
Regional Safe Schools Program	3696						
Early Childhood - State Preschool At Risk	3705		41,475			64,561	66,020
K-6 Reading Improvement	3715		5,383			82,266	14,144
Reading Improvement Block Reco	3720						
ROE/ESC Operations	3730						
Supervisory Expense	3745						
ADA Safety & Education Block Grant	3775		4,376		12,995	76,161	9,226
Summer Bridges Program	3825						
School Infstrure/Maintenance Grant	3925						
Arts and Foreign Language	3962						
Class Size Reduction	3981						
Children's Mental Health Partnership	3990						
Education Facilities Grant	3999						
Total State Funds		44,066	663,979	1,587	1,360,983	8,398,002	533,279
Federal Funds							
Forest Reserve	4001	43				28	
Title VI - Formula	4100					156	10
Title VI - Rural Education Init.	4107					52,941	
National School Lunch Program	4210		24,816	17,032	42,755	376,397	66,496
School Breakfast Program	4220		11,735	10,849	18,549	154,967	35,063
Summer Food Service Program	4225						
Fresh Fruits and Vegetables	4240						7,861
Child Nutrition Comm/Salvage	4250						
IASA - Title I - Low Income	4300		53,416		70,538	578,024	205,564
IASA - Title I - School Improvement	4331						
IASA - Even Start	4335						
Illinois Reading First	4337						
School Improvement Grant - Section 1003	4339						
IASA - Title I - Migrant Education	4340						
IASA - Title I - Migrant Incentive	4341						
IASA - Drug Free Schools - Formula	4400		727		992	8,070	2,091
Title IV - 21 Century CLC	4421						
Fed. - Sp. Ed. - Pre-School Flow Through	4600					32,715	
Fed. - Sp. Ed. - IDEA - Flow Through	4620					3,386	
Fed. - Sp. Ed. - IDEA - Room & Board	4625					120,899	606
ARRA - General State Aid	4850		148,330		348,902	2,053,401	72,302
Title II - Teacher Quality	4932		15,312		16,000	144,928	29,577
IASA - Title II - Teacher Quality - Leadership	4935						
Math & Science Partnerships	4936						
Technology Enhancing Education - Formula	4971		1,104		1,038	4,260	1,447
Lincoln-Academic Awards	4999						
Total Federal Funds		43	255,440	27,881	498,774	3,530,172	421,017
TOTAL DISTRIBUTIONS		\$ 44,109	\$ 919,419	\$ 29,468	\$ 1,859,757	\$ 11,928,174	\$ 954,296

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
For the Year Ended June 30, 2009

DISTRIBUTIONS	Acct. No.	14 Meridian CUSD #101	16 Lick Creek CCSD #16	17 Cobden SUD 17	18 Anna School Dist #37	19 Jonesboro CCSD #43	21 Anna-Jonesboro CHSD #81
Local Funds							
Distributive Fund Interest	1510	\$	\$	\$	\$	\$	\$
Total Local Funds		-	-	-	-	-	-
State Funds							
General State Aid - Sec. 18-8	3001	3,241,766	381,779	2,465,613	2,198,012	1,397,220	1,748,695
General State Aid - Hold Harmless	3002						
Transition Assistance	3099						
Sp. Ed. - Private Facility Tuition	3100			9,098			
Sp. Ed. - Extraordinary	3105	160,076	13,754	73,221	79,421	44,210	64,557
Sp. Ed. - Personnel	3110	119,030	6,202	55,573	104,008	43,270	31,798
Sp. Ed. - Orphanage - Individual	3120	26,584		12,751	55,528		
Sp. Ed. - Summer School	3145						
Bilingual Ed. - Downstate	3305			9,954			
State Free Lunch & Breakfast	3360	15,255	2,324	5,728	8,114	5,202	2,222
School Breakfast Incentive	3365	220	437	304	196	130	111
Driver Education	3370	8,054		7,579			17,636
Transportation - Regular	3500	256,999	27,934	78,649	26,233	62,053	85,395
Transportation - Special Education	3510	23,739	14,343	102,100	41,723	25,683	20,756
ROE School Bus Driver Training	3520						
National BD Cert. Initiatives	3651						
Truants Alternative/Operational Ed.	3693						
Regional Safe Schools Program	3696						
Early Childhood - State Preschool At Risk	3705	252,045				1,020,020	
K-6 Reading Improvement	3715	41,101	5,886	22,403	39,776	21,162	
Reading Improvement Block Reco	3720				12,500		
ROE/ESC Operations	3730						
Supervisory Expense	3745						
ADA Safety & Education Block Grant	3775	21,837	4,252	21,495	22,795	12,625	19,706
Summer Bridges Program	3825	43,000					
School Infrastructure/Maintenance Grant	3925						
Arts and Foreign Language	3962						
Class Size Reduction	3981	78,056					
Children's Mental Health Partnership	3990						
Education Facilities Grant	3999						
Total State Funds		4,287,762	456,911	2,864,468	2,588,306	2,631,575	1,990,876
Federal Funds							
Forest Reserve	4001		32	105		55	
Title VI - Formula	4100			10,500	843		
Title VI - Rural Education Init.	4107	20,934			16,923		
National School Lunch Program	4210	212,788	24,550	142,925	132,651	81,537	42,102
School Breakfast Program	4220	93,379	13,541	42,741	55,402	30,829	11,384
Summer Food Service Program	4225						
Fresh Fruits and Vegetables	4240	11,252				24,396	
Child Nutrition Comm/Salvage	4250		453				
IASA - Title I - Low Income	4300	519,951	20,760	164,846	244,668	79,479	97,788
IASA - Title I - School Improvement	4331						
IASA - Even Start	4335						
Illinois Reading First	4337						
School Improvement Grant - Section 1003	4339	492,000					
IASA - Title I - Migrant Education	4340						
IASA - Title I - Migrant Incentive	4341						
IASA - Drug Free Schools - Formula	4400	7,507	283	1,452	2,011	1,441	1,793
Title IV - 21 Century CLC	4421						
Fed. - Sp. Ed. - Pre-School Flow Through	4600						
Fed. - Sp. Ed. - IDEA - Flow Through	4620						
Fed. - Sp. Ed. - IDEA - Room & Board	4625	325		282		2,447	1,136
ARRA - General State Aid	4850	958,363	112,865	728,909	649,798	413,060	516,966
Title II - Teacher Quality	4932	108,898	13,337	20,111	69,640	27,575	27,985
IASA - Title II - Teacher Quality - Leadership	4935						
Math & Science Partnerships	4936						
Technology Enhancing Education - Formula	4971	3,620		1,519	1,810	835	
Lincoln-Academic Awards	4999						
Total Federal Funds		2,429,017	185,821	1,113,390	1,173,746	661,654	699,154
TOTAL DISTRIBUTIONS		\$ 6,716,779	\$ 642,732	\$ 3,977,858	\$ 3,762,052	\$ 3,293,229	\$ 2,690,030

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
For the Year Ended June 30, 2009

DISTRIBUTIONS	Acct. No.	22 Shawnee CUSD 84	23 Transportation Fund	25 Migrant Education	26 Lincoln-Academic Awards	30 ROE/ISC Operations
Local Funds						
Distributive Fund Interest	1510	\$	\$	\$	\$	\$
Total Local Funds		-	-	-	-	-
State Funds						
General State Aid - Sec. 18-8	3001	719,703				
General State Aid - Hold Harmless	3002	366,352				
Transition Assistance	3099					
Sp. Ed. - Private Facility Tuition	3100					
Sp. Ed. - Extraordinary	3105	58,966				
Sp. Ed. - Personnel	3110	72,558				
Sp. Ed. - Orphanage - Individual	3120	5,255				
Sp. Ed. - Summer School	3145					
Bilingual Ed. - Downstate	3305					
State Free Lunch & Breakfast	3360	7,855				
School Breakfast Incentive	3365	370				
Driver Education	3370	7,159				
Transportation - Regular	3500	147,391				
Transportation - Special Education	3510	77,513				
ROE School Bus Driver Training	3520		850			
National BD Cert. Initiatives	3651					
Truants Alternative/Operational Ed.	3695					
Regional Safe Schools Program	3696					
Early Childhood - State Preschool At Risk	3705					
K-6 Reading Improvement	3715	23,601				
Reading Improvement Block Reco	3720					
ROE/ESC Operations	3730					43,861
Supervisory Expense	3745					
ADA Safety & Education Block Grant	3775	17,410				
Summer Bridges Program	3825					
School Infrastructure/Maintenance Grant	3925					
Arts and Foreign Language	3962					
Class Size Reduction	3981					
Children's Mental Health Partnership	3990					
Education Facilities Grant	3999					
Total State Funds		1,504,133	850	-	-	43,861
Federal Funds						
Forest Reserve	4001	244				
Title VI - Formula	4100					
Title VI - Rural Education Init.	4107					
National School Lunch Program	4210	111,234				
School Breakfast Program	4220	48,187				
Summer Food Service Program	4225					
Fresh Fruits and Vegetables	4240					
Child Nutrition Comm/Salvage	4250					
IASA - Title I - Low Income	4300	231,139				
IASA - Title I - School Improvement	4331					
IASA - Even Start	4335					
Illinois Reading First	4337					
School Improvement Grant - Section 1003	4339					
IASA - Title I - Migrant Education	4340			38,450		
IASA - Title I - Migrant Incentive	4341					
IASA - Drug Free Schools - Formula	4400	2,607				
Title IV - 21 Century CLC	4421					
Fed. - Sp. Ed. - Pre-School Flow Through	4600					
Fed. - Sp. Ed. - IDEA - Flow Through	4620			574,007		
Fed. - Sp. Ed. - IDEA - Room & Board	4625					
ARRA - General State Aid	4850	212,766				
Title II - Teacher Quality	4932	49,215				
IASA - Title II - Teacher Quality - Leadership	4935					
Math & Science Partnerships	4936					
Technology Enhancing Education - Formula	4971					
Lincoln-Academic Awards	4999				3,000	
Total Federal Funds		655,392	-	612,457	3,000	-
TOTAL DISTRIBUTIONS		\$ 2,159,525	\$ 850	\$ 612,457	\$ 3,000	\$ 43,861

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
For the Year Ended June 30, 2009

DISTRIBUTIONS	Acct. No.	32 Even Start	34 Five County Vocational System	35 Regions Bank	36 Supervisory	37 Pre-School Flow Through
Local Funds						
Distributive Fund Interest	1510	\$	\$	\$ 1,024		
Total Local Funds		-	-	1,024	-	-
State Funds						
General State Aid - Sec. 18-8	3001					
General State Aid - Hold Harmless	3002					
Transition Assistance	3099					
Sp. Ed. - Private Facility Tuition	3100					
Sp. Ed. - Extraordinary	3105					
Sp. Ed. - Personnel	3110					
Sp. Ed. - Orphanage - Individual	3120					
Sp. Ed. - Summer School	3145					
Bilingual Ed. - Downstate	3305					
State Free Lunch & Breakfast	3360					
School Breakfast Incentive	3365					
Driver Education	3370					
Transportation - Regular	3500					
Transportation - Special Education	3510					
ROE School Bus Driver Training	3520					
National BD Cert. Initiatives	3651					
Truants Alternative/Operational Ed.	3695					
Regional Safe Schools Program	3696	66,996				
Early Childhood - State Preschool At Risk	3705					
K-6 Reading Improvement	3715					
Reading Improvement Block Reco	3720					
ROE/ESC Operations	3730					
Supervisory Expense	3745				5,000	
ADA Safety & Education Block Grant	3775					
Summer Bridges Program	3825					
School Infrastructure/Maintenance Grant	3925					
Arts and Foreign Language	3962					
Class Size Reduction	3981					
Children's Mental Health Partnership	3990					
Education Facilities Grant	3999		84,740			
Total State Funds		66,996	84,740	-	5,000	-
Federal Funds						
Forest Reserve	4001					
Title VI - Formula	4100					
Title VI - Rural Education Init.	4107					
National School Lunch Program	4210					
School Breakfast Program	4220					
Summer Food Service Program	4225					
Fresh Fruits and Vegetables	4240					
Child Nutrition Comm/Salvage	4250					
LASA - Title I - Low Income	4300					
LASA - Title I - School Improvement	4331		1,005,768			
LASA - Even Start	4335	78,809				
Illinois Reading First	4337					
School Improvement Grant - Section 1003	4339					
LASA - Title I - Migrant Education	4340					
LASA - Title I - Migrant Incentive	4341					2,500
LASA - Drug Free Schools - Formula	4400					78
Title IV - 21 Century CLC	4421					
Fed. - Sp. Ed. - Pre-School Flow Through	4600					
Fed. - Sp. Ed. - IDEA - Flow Through	4620					
Fed. - Sp. Ed. - IDEA - Room & Board	4625					
ARRA - General State Aid	4850					
Title II - Teacher Quality	4932					1,000
LASA - Title II - Teacher Quality - Leadership	4935		118,726			
Math & Science Partnerships	4936					
Technology Enhancing Education - Formula	4971					
Lincoln-Academic Awards	4999					
Total Federal Funds		78,809	1,124,494	-	-	3,578
TOTAL DISTRIBUTIONS		\$ 145,805	\$ 1,209,234	\$ 1,024	\$ 5,000	\$ 3,578

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
For the Year Ended June 30, 2009

DISTRIBUTIONS	Acct. No.	38 Truant/Alternative Education	39 City National Bank	49 General State Aid	52 Math & Science Partnerships	53 Reading First
Local Funds						
Distributive Fund Interest	1510		7,212	\$	\$	\$
Total Local Funds		-	7,212	-	-	-
State Funds						
General State Aid - Sec. 18-8	3001			297,437		
General State Aid - Hold Harmless	3002					
Transition Assistance	3099					
Sp. Ed. - Private Facility Tuition	3100					
Sp. Ed. - Extraordinary	3105					
Sp. Ed. - Personnel	3110					
Sp. Ed. - Orphanage - Individual	3120					
Sp. Ed. - Summer School	3145					
Bilingual Ed. - Downstate	3305					
State Free Lunch & Breakfast	3360					
School Breakfast Incentive	3365					
Driver Education	3370					
Transportation - Regular	3500					
Transportation - Special Education	3510					
ROE School Bus Driver Training	3520					
National BD Cert. Initiatives	3651					
Truants Alternative/Operational Ed.	3695	114,480				
Regional Safe Schools Program	3696					
Early Childhood - State Preschool At Risk	3705					
K-6 Reading Improvement	3715					
Reading Improvement Block Reco	3720					
ROE/ESC Operations	3730					
Supervisory Expense	3745					
ADA Safety & Education Block Grant	3775					
Summer Bridges Program	3825					
School Infrastructure/Maintenance Grant	3925					
Arts and Foreign Language	3962					
Class Size Reduction	3981					
Children's Mental Health Partnership	3990					
Education Facilities Grant	3999					
Total State Funds		114,480	-	297,437	-	-
Federal Funds						
Forest Reserve	4001					
Title VI - Formula	4100					
Title VI - Rural Education Init.	4107					
National School Lunch Program	4210					
School Breakfast Program	4220					
Summer Food Service Program	4225					
Fresh Fruits and Vegetables	4240					
Child Nutrition Comm/Salvage	4250					
IASA - Title I - Low Income	4300					
IASA - Title I - School Improvement	4331					
IASA - Even Start	4335					
Illinois Reading First	4337					9,414
School Improvement Grant - Section 1003	4339					
IASA - Title I - Migrant Education	4340					
IASA - Title I - Migrant Incentive	4341					
IASA - Drug Free Schools - Formula	4400					
Title IV - 21 Century CLC	4421					
Fed. - Sp. Ed. - Pre-School Flow Through	4600					
Fed. - Sp. Ed. - IDEA - Flow Through	4620					
Fed. - Sp. Ed. - IDEA - Room & Board	4625					
ARRA - General State Aid	4850			87,931		
Title II - Teacher Quality	4932					
IASA - Title II - Teacher Quality - Leadership	4935					
Math & Science Partnerships	4936				19,879	
Technology Enhancing Education - Formula	4971					
Lincoln-Academic Awards	4999					
Total Federal Funds		-	-	87,931	19,879	9,414
TOTAL DISTRIBUTIONS		\$ 114,480	\$ 7,212	\$ 385,368	\$ 19,879	\$ 9,414

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2009

Federal Grantor/ Pass-Through Grantor/ <u>Program or Cluster Title</u>	CFDA <u>Number</u>	ISBE Project # (1st 8 digits) or Contract #	Federal Expenditures <u>7/1/08 - 6/30/09</u>
U. S. Department of Education			
passed through Illinois Community College Board			
Adult Education - Federal Basic	84.002	N/A	\$ 214,278
Total U. S. Department of Education passed through Illinois Community College Board			<u>214,278</u>
U. S. Department of Education CFDA #84.010A			
Passed through Illinois State Board of Education			
System of Support Title I - School Improvement & Accountability	84.010A	09-4331-SS	669,326 (M)
System of Support Title I - School Improvement & Accountability	84.010A	08-4331-SS	192,313 (M)
Passed through Regional Office of Education #25			
Standards Aligned Classroom	84.010A	N/A	<u>4,500</u>
Total U. S. Department of Education CFDA #84.101A			<u>866,139</u>
U. S. Department of Education			
passed through Illinois State Board of Education			
Even Start	84.213C	09-4335-00	<u>80,500</u>
Title I - Migrant Education	84.011A	09-4340-01	8,861
Title I - Migrant Education	84.011A	08-4340-01	<u>23,389</u>
Total Title I - Migrant Education			<u>32,250</u>
Title I - Reading First Part B SEA Funds	84.357A	08-4337-00	<u>7,406</u>
Title II - Teacher Quality	84.367A	09-4932-00	1,000
System of Support Title II - Teacher Quality - Leadership Grant	84.367A	09-4935-SS	71,263
System of Support Title II - Teacher Quality - Leadership Grant	84.367A	08-4935-SS	<u>64,273</u>
Total Title II - Teacher Quality - Leadership Grant			<u>136,536</u>
Title IV - Safe and Drug Free	84.186A	09-4400-00	78
Title IV - Safe and Drug Free	84.186A	08-4400-00	64
Total Title IV - Safe and Drug Free			<u>142</u>
Title I - Migrant Incentive Grant	84.144F	09-4341-00	2,500
Title I - Migrant Incentive Grant	84.144F	08-4341-00	<u>2,500</u>
Total Title I - Migrant Incentive Grant			<u>5,000</u>
Mathematics & Science Partnership	84.366B	08-4936-00	<u>6,845</u>
Other Federal Programs - English Language Learning Title III	84.365	09-4999-PD	<u>6,000</u>
Total U. S. Department of Education passed through Illinois State Board of Education			<u>274,679</u>

REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONCLUDED)
For the Year Ended June 30, 2009

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	ISBE Project # (1st 8 digits) or Contract #	Federal Expenditures 7/1/08 - 6/30/09
U. S. Department of Education			
passed through Regional Office of Education #21			
McKinney Education for Homeless Children	84.196A	08-4920-00	<u>10,123</u>
Total U. S. Department of Education			<u>10,123</u>
passed through Regional Office of Education #21			
TOTAL US DEPARTMENT OF EDUCATION			<u>1,365,219</u>
U. S. Department of Agriculture			
passed through Illinois State Board of Education			
School Breakfast Program	10.553	09-4220-00	9,333
School Breakfast Program	10.553	08-4220-00	<u>1,517</u>
Total School Breakfast Program			<u>10,850</u>
National School Lunch Program	10.555	09-4210-00	14,691
National School Lunch Program	10.555	08-4210-00	<u>2,337</u>
Total National School Lunch Program			<u>17,028</u>
Total U. S. Department of Agriculture			<u>27,878</u>
passed through Illinois State Board of Education			
U. S. Department of Labor			
passed through Shawnee Development Council			
Workforce Investment Act	17.259	N/A	<u>18,436</u>
U. S. Department of Labor			<u>18,436</u>
passed through Shawnee Development Council			
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,411,533</u></u>

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

**REGIONAL OFFICE OF EDUCATION #2
ALEXANDER/JOHNSON/MASSAC/PULASKI/UNION COUNTIES
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2009**

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 #2 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented on this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2: SUBRECIPIENTS

Of the federal expenditures presented in the schedule, Regional Office of Education #2 provided federal awards to subrecipients as follows:

Program Title: System of Support Title I – School Improvement & Accountability
Federal CFDA #: 84.010A
Amount provided to subrecipients: \$683,074

Program Title: System of Support Title II – Teacher Quality Leadership Grant
Federal CFDA #: 84.367A
Amount provided to subrecipients: \$133,135

NOTE 3: DESCRIPTION OF MAJOR FEDERAL PROGRAM

System of Support Title I – School Improvement and Accountability

This program supports the improvement of basic programs operated by the Regional Office of Education #2 by providing professional development for data analysis, school improvement plan and development, Standards-Aligned curriculum and instruction, and classroom assessment to System of Support Status schools on the Academic Early Warning and Watch lists.

NOTE 4: NON-CASH ASSISTANCE

None

NOTE 5: AMOUNT OF INSURANCE

None

NOTE 6: LOANS OR LOAN GUARANTEES OUTSTANDING

None