

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

FINANCIAL AUDIT
FOR THE YEAR ENDED JUNE 30, 2012

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

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

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

For the Year Ended June 30, 2012

TABLE OF CONTENTS

	<u>Page</u>
Officials	1
Financial Report Summary	2
Financial Statement Report Summary	3
Financial Section	
Independent Auditor's Report	4
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	6
Schedule of Findings and Responses	8
Financial Statement Findings	9
Corrective Action Plan for Current-Year Audit Findings	11
Summary Schedule of Prior Audit Findings	12
Management's Discussion and Analysis	14
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	23
Statement of Activities	24
Fund Financial Statements	
Governmental Funds - Balance Sheet	25
Governmental Funds - Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	26
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances	27
Governmental Funds - Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	28
Proprietary Fund - Statement of Net Assets	29
Proprietary Fund - Statement of Revenues, Expenses, and Changes in Fund Net Assets	30
Proprietary Fund - Statement of Cash Flows	31
Agency Fund - Statement of Fiduciary Net Assets	32
Notes to Financial Statements	33

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

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

For the Year Ended June 30, 2012

TABLE OF CONTENTS (CONTINUED)

Page

Required Supplementary Information

Illinois Municipal Retirement Fund Schedule of Funding Progress	52
---	----

Supplemental Information

General Fund Accounts

Combining Schedule of Accounts	54
--------------------------------	----

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	55
--	----

Education Fund Accounts

Combining Schedule of Accounts	56
--------------------------------	----

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	59
--	----

Budgetary Comparison Schedules

Homeless	62
----------	----

Truants Alternative/Optional Education	63
--	----

Regional Safe Schools	64
-----------------------	----

ROE/ISC Operations	65
--------------------	----

Title II - Teacher Quality	66
----------------------------	----

Nonmajor Special Revenue Funds:

Combining Balance Sheet	67
-------------------------	----

Combining Statement of Revenues, Expenditures and Changes in Fund Balances	68
--	----

Agency Funds

Combining Statement of Fiduciary Net Assets - All Agency Funds	69
--	----

Combining Statement of Changes in Assets and Liabilities - All Agency Funds	70
---	----

Schedule of Disbursements to School District Treasurers and Other Entities	71
--	----

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

AGENCY OFFICIALS

For the Year Ended June 30, 2012

Regional Superintendent (Current and During the Audit Period)

Dr. Bobbi Mattingly

Assistant Regional Superintendent (Current and During the Audit Period)

Ms. Michele Lindenmeyer

Office is located at:

730 7th Street
Charleston, Illinois 61920

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

FINANCIAL REPORT SUMMARY

For the Year Ended June 30, 2012

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

Number of	This Audit	Prior Audit
Audit findings	1	1
Repeated audit findings	1	1
Prior recommendations implemented or not repeated	0	0

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

SUMMARY OF FINDINGS AND RESPONSES

Item No.	Page	Description	Finding Type
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
12-01	9	Controls Over Financial Statement Preparation	Significant Deficiency

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

None

EXIT CONFERENCE

The finding and recommendation appearing in this report were discussed with Regional Office of Education #11 management during various informal meetings. The Regional Office of Education #11 declined to have a formal exit conference. The response to the recommendation was provided by Elizabeth Peterson, Bookkeeper, in an email dated January 9, 2013.

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

FINANCIAL STATEMENT REPORT SUMMARY

For the Year Ended June 30, 2012

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

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

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

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 Clark, Coles, Cumberland, Douglas, Edgar, Moultrie and Shelby Counties Regional Office of Education #11, as of and for the year ended June 30, 2012, which collectively comprise the Regional Office of Education #11's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office of Education #11'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, 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 #11, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows 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 our report dated February 4, 2013, on our consideration of the Regional Office of Education #11's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Office of Education #11's financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities are fairly stated in all material respects in relation to the financial statements as a whole.

Doehring, Winders & Co. L.L.P.

February 4, 2013

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

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #11, as of and for the year ended June 30, 2012, which collectively comprise the Regional Office of Education #11's basic financial statements and have issued our report thereon dated February 4, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Regional Office of Education #11 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Regional Office of Education #11's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Regional Office of Education #11's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #11's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we did identify a certain deficiency in internal control over financial reporting, described in finding 12-01 in the accompanying schedule of findings and responses that we consider to be a significant deficiency in internal control over financial reporting. 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.

Compliance and Other Matters

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

Regional Office of Education #11's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit Regional Office of Education #11's response and, accordingly, we express no opinion on the response.

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

Doehring, Winklers & Co. L.L.P.

February 4, 2013

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

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2012

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

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

SCHEDULE OF FINDINGS AND RESPONSES

FINANCIAL STATEMENT FINDINGS

For the Year Ended June 30, 2012

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

Criteria/specific requirement

The Regional Office of Education #11 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office 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 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 #11 does not have sufficient internal controls over the financial reporting process. 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. Although management made a conscientious effort to improve the training of its accounting staff to be able to prepare the financial statements during the year, additional training and experience will be required to allow the Regional Office to fully prepare its financial statements in accordance with GAAP. Significant improvement was noted in the internal controls over the financial reporting process during the current fiscal year.

Effect:

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

Cause:

This was the Regional Office's first time preparing financial statements. Some additional experience was needed to address all disclosure issues.

Recommendation:

As part of its internal control over the preparation of financial statements, including disclosures, the Regional Office of Education #11 should continue comprehensive preparation and/or review procedures to ensure that the financial statements, including disclosures, are complete and accurate.

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

SCHEDULE OF FINDINGS AND RESPONSES

FINANCIAL STATEMENT FINDINGS

For the Year Ended June 30, 2012

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

Management's Response:

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

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

CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS

For the Year Ended June 30, 2012

Corrective Action Plan

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

Condition:

The Regional Office of Education #11 does not have sufficient internal controls over the financial reporting process. 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. Although management made a conscientious effort to improve the training of its accounting staff to be able to prepare the financial statements during the year, additional training and experience will be required to allow the Regional Office to fully prepare its financial statements in accordance with GAAP. Significant improvement was noted in the internal controls over the financial reporting process during the current fiscal year.

Plan:

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

Anticipated Date of Completion:

Not Determined

Name of Contact Person:

Bobbi Mattingly, Regional Superintendent of Schools

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2012

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
11-01	Controls Over Financial Statement Preparation	Repeated as 12-01

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2012

The Regional Office of Education #11 for the Counties of Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2012. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements which follow.

Financial Highlights

- Within the Governmental Funds, the General Fund balance decreased from \$466,893 in FY 11 to \$395,248 in FY 12, and the Education Fund balance increased from \$(10,995) to \$13,990.
- Within the Proprietary Fund, Total Net Assets decreased from \$250,382 to \$174,548.

Using This Report

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2012

Reporting the Office 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 #11 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the Office'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 Office's net assets and how they have changed. Net assets, the difference between the assets and liabilities, are one way to measure the Office's financial health or position.

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

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

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2012

Reporting the Office as a Whole (continued)

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

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the financial position. The Regional Office's governmental activities net assets at the end of FY 12 totaled \$551,239. This compared to \$602,698 at the end of FY 11. The analysis that follows provides a summary of the Office's net assets at June 30, 2012 and June 30, 2011 for the governmental and business-type activities.

Condensed Statement of Net Assets
Governmental Activities

	2012	2011	Increase/ (Decrease)
Current assets	\$ 656,896	\$ 1,276,493	\$ (619,597)
Capital assets, being depreciated, net	4,515	2,411	2,104
Total assets	661,411	1,278,904	(617,493)
Current liabilities	110,172	676,206	(566,034)
Net assets:			
Invested in capital assets	4,515	2,411	2,104
Restricted for educational purposes	151,476	123,546	27,930
Unrestricted	395,248	476,741	(81,493)
Total net assets	\$ 551,239	\$ 602,698	\$ (51,459)

The Regional Office of Education's governmental Net Assets decreased from \$602,698 to \$551,239. Cash and cash equivalents made up the majority of current assets. In addition, net assets for educational purposes are considered restricted.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2012

Government-Wide Financial Analysis (continued)

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

	2012	2011	Increase/ (Decrease)
Current assets	\$ 171,694	\$ 245,204	\$ (73,510)
Capital assets, being depreciated, net	2,854	5,178	(2,324)
Total assets	<u>\$ 174,548</u>	<u>\$ 250,382</u>	<u>\$ (75,834)</u>
Net assets:			
Invested in capital assets	\$ 2,854	\$ 5,178	\$ (2,324)
Unrestricted	<u>171,694</u>	<u>245,204</u>	<u>(73,510)</u>
Total net assets	<u>\$ 174,548</u>	<u>\$ 250,382</u>	<u>\$ (75,834)</u>

The Regional Office of Education #11 uses its business-type net assets to provide workshops and training services to school districts in the Region. The decrease in total net assets was primarily due to decreased number of schools in the Consortium which resulted in a decrease in revenue. Also, salaries and benefits paid from local workshops increased due to a funding reduction from the ROE/ISC grant which funded these salaries and benefits in the prior fiscal year. Salaries also increased due to the relocation of the Eastern Illinois Education for Employment System which also funded a portion of these salaries and benefits in the prior fiscal year.

The following analysis shows the changes in net assets for governmental and business-type activities for the years ended June 30, 2012 and June 30, 2011.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2012

Government-Wide Financial Analysis (continued)

Statement of Activities
Governmental Activities

	2012	2011	Increase/ (Decrease)
Revenues:			
Program revenues:			
Operating grants and contributions	\$ 352,067	\$ 2,299,622	\$ (1,947,555)
General revenues			
Local sources	420,002	405,369	14,633
State sources	797,731	862,392	(64,661)
On-behalf payment	460,555	417,817	42,738
Investment earnings	1,042	2,189	(1,147)
	2,031,397	3,987,389	(1,955,992)
Expenses:			
Program expenses:			
Instructional services			
Salaries and benefits	981,847	1,099,047	(117,200)
Purchased services	280,884	330,266	(49,382)
Supplies and materials	63,068	78,966	(15,898)
Other objects	6,005	13,712	(7,707)
Depreciation expense	2,506	2,549	(43)
Payments to other governments	287,991	2,007,822	(1,719,831)
Administrative expenses:			
On-behalf payments - state	460,555	417,817	42,738
	2,082,856	3,950,179	(1,867,323)
Change in net assets before transfers	(51,459)	37,210	(88,669)
Transfers (out)	-	(65,137)	65,137
Change in net assets	(51,459)	(27,927)	(23,532)
Net assets - beginning	602,698	630,625	(27,927)
Net assets - ending	\$ 551,239	\$ 602,698	\$ (51,459)

Revenues for governmental activities were \$2,031,397 and expenses were \$2,082,856. The decrease in total revenue is due to several factors. During FY11, the Regional Office of Education was the Fiscal Agent for the Early Childhood Grant of \$1,627,560 which was a flow through grant to Eastern Illinois Area Special Education; however, this was ONLY for FY11 and did not continue into FY12. Other grant funds decreased funding in FY12 (e.g. ROE/ISC & General State Aid).

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2012

Government-Wide Financial Analysis (continued)

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

	2012	2011	Increase/ (Decrease)
Revenues:			
Program revenues:			
Charges for services	\$ 78,760	\$ 147,553	\$ (68,793)
General revenues			
Investment earnings	380	918	(538)
Total revenues	79,140	148,471	(69,331)
Expenses:			
Salaries and benefits	76,272	62,318	13,954
Purchased services	72,288	88,661	(16,373)
Supplies and materials	4,090	17,942	(13,852)
Depreciation expense	2,324	2,324	-
Dues and fees	-	250	(250)
Other	-	1,199	(1,199)
Total expenses	154,974	172,694	(17,720)
Change in net assets before transfers and contributions	(75,834)	(24,223)	(51,611)
Transfers in	-	65,137	(65,137)
Change in net assets	\$ (75,834)	\$ 40,914	\$ (116,748)
Net assets - beginning	250,382	209,468	40,914
Net assets - ending	\$ 174,548	\$ 250,382	\$ (75,834)

Revenues for the business-type activities were \$79,140 and expenses were \$154,974 resulting in an overall decrease in total net assets of \$75,834. This was primarily due to decreased number of schools in the Consortium which resulted in a decrease in revenue. Also, salaries and benefits paid from local workshops increased due to a funding reduction from the ROE/ISC grant which funded these salaries and benefits in the prior fiscal year. Salaries also increased due to the relocation of the Eastern Illinois Education for Employment System which also funded a portion of these salaries and benefits in the prior fiscal year.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2012

Financial Highlights of the Regional Office of Education #11 Funds

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

Governmental Fund Highlights:

- The return on investments (certificates of deposit, short term investments, and interest earned on float), were decreased because of the decrease in interest rates.
- County support for the Regional Office of Education #11 maintained level at \$273,050.
- There was level funding in the state aid of \$6,119 per student; however, due to appropriations the last payment of \$21,714 for State Aid & \$15,617 for General State Aid TAOEP was not received (95% appropriation). Other grant funds decreased as follows: The ROE/ISC Operations grant decreased from \$66,158 to \$32,889.
- Professional Development Consortium decreased from fourteen to ten school districts resulting in a decrease from \$116,414 in FY11 to \$45,630 in FY12.
- The Technology conference generated registration and vendor fees.

Proprietary Fund Highlights:

The Regional Office of Education #11's Local Workshop Fund operated at a loss in FY 12. The decrease in revenue was due to the decreased number of schools in the Consortium resulting in a decrease in revenue from \$116,414 in FY11 to \$45,630 in FY12. More salaries were paid out of the fund as a result of decreased funding of the ROE/ISC Operations program and Consortium.

Budgetary Highlights:

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

Capital Assets

There were no material changes in fixed assets from the previous year.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2012

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

Economic Factors and Next Year's Budget

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

- The State of Illinois Foundation level used in the calculation of State Aid stayed the same at \$6,119 per student for FY 13, but was only funded at 89% of per student amount.
- The interest rate on investments remains low.
- Several grants have decreased from previous levels.
- The State of Illinois funding for most programs has been delayed.
- County Board support of the Regional Office of Education #11 will remain the same for the next fiscal year.
- The Professional Development Consortium - Local Workshops includes ten school districts but it is not yet known how many of the consortium school districts will commit/continue for the next fiscal year.

Contacting the Regional Office's Financial Management

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

BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS

June 30, 2012

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current Assets:			
Cash and cash equivalents	\$ 441,405	\$ 107,697	\$ 549,102
Investments	121,038	62,362	183,400
Prepaid expenses	-	1,635	1,635
Due from other governments:			
Local	3,305	-	3,305
State	80,723	-	80,723
Federal	10,425	-	10,425
Total Current Assets	656,896	171,694	828,590
Noncurrent Assets:			
Capital assets, net of depreciation	4,515	2,854	7,369
Total Noncurrent Assets	4,515	2,854	7,369
Total Assets	661,411	174,548	835,959
Liabilities			
Current Liabilities:			
Accounts payable	17,159	-	17,159
Payroll liabilities	69,825	-	69,825
Due to other governments:			
Local	13,500	-	13,500
State	2,618	-	2,618
Deferred revenue	7,070	-	7,070
Total Current Liabilities	110,172	-	110,172
Net Assets			
Invested in capital assets, net of related debt	4,515	2,854	7,369
Restricted for educational purposes	151,476	-	151,476
Unrestricted	395,248	171,694	566,942
Total Net Assets	\$ 551,239	\$ 174,548	\$ 725,787

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

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
				Governmental Activities	Business-Type Activities	Total
Primary Government:						
Governmental Activities:						
Instructional Services:						
Salaries and benefits	\$ 981,847	\$ -	\$ 269,462	\$ -	\$ (712,385)	\$ (712,385)
Purchased services	280,884	-	78,589	-	(202,295)	(202,295)
Supplies and materials	63,068	-	2,499	-	(60,569)	(60,569)
Other objects	6,005	-	-	-	(6,005)	(6,005)
Depreciation expense	2,506	-	-	-	(2,506)	(2,506)
Payments to other governments	287,991	-	1,517	-	(286,474)	(286,474)
Administrative:						
On-behalf payments - state	460,555	-	-	-	(460,555)	(460,555)
Total governmental activities	<u>2,082,856</u>	<u>-</u>	<u>352,067</u>	<u>-</u>	<u>(1,730,789)</u>	<u>(1,730,789)</u>
Business-type activities						
Other	<u>154,974</u>	<u>78,760</u>	<u>-</u>	<u>-</u>	<u>(76,214)</u>	<u>(76,214)</u>
Total business-type activities	<u>154,974</u>	<u>78,760</u>	<u>-</u>	<u>-</u>	<u>(76,214)</u>	<u>(76,214)</u>
Total primary government	<u>\$ 2,237,830</u>	<u>\$ 78,760</u>	<u>\$ 352,067</u>	<u>\$ -</u>	<u>(1,730,789)</u>	<u>(1,807,003)</u>
General Revenues:						
Local sources				420,002	-	420,002
State sources				797,731	-	797,731
On-behalf payments				460,555	-	460,555
Investment earnings				1,042	380	1,422
Total general revenues and transfers				<u>1,679,330</u>	<u>380</u>	<u>1,679,710</u>
Change in net assets				(51,459)	(75,834)	(127,293)
Net assets - beginning				<u>602,698</u>	<u>250,382</u>	<u>853,080</u>
Net assets - ending				<u>\$ 551,239</u>	<u>\$ 174,548</u>	<u>\$ 725,787</u>

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

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

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2012

	General Fund	Education Fund	Institute Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 291,780	\$ 26,326	\$ 104,403	\$ 18,896	\$ -	\$ 441,405
Investments	103,743	17,295	-	-	-	121,038
Due from other funds	80,953	-	-	-	(80,953)	-
Due from other governments						
Local	-	3,305	-	-	-	3,305
State	13,500	67,223	-	-	-	80,723
Federal	-	10,425	-	-	-	10,425
Total assets	<u>\$ 489,976</u>	<u>\$ 124,574</u>	<u>\$ 104,403</u>	<u>\$ 18,896</u>	<u>\$ (80,953)</u>	<u>\$ 656,896</u>
Liabilities and fund balance:						
Liabilities:						
Accounts payable	\$ 16,771	\$ 388	\$ -	\$ -	\$ -	\$ 17,159
Payroll liabilities	50,957	18,868	-	-	-	69,825
Due to other funds	-	80,953	-	-	(80,953)	-
Due to other governments						
Local	13,500	-	-	-	-	13,500
State	-	-	2,618	-	-	2,618
Deferred revenue	13,500	10,375	-	-	-	23,875
Total liabilities	<u>94,728</u>	<u>110,584</u>	<u>2,618</u>	<u>-</u>	<u>(80,953)</u>	<u>126,977</u>
Fund Balance (Deficit):						
Restricted	-	17,295	101,785	18,896	-	137,976
Assigned	329,049	-	-	-	-	329,049
Unassigned	66,199	(3,305)	-	-	-	62,894
Total fund balance	<u>395,248</u>	<u>13,990</u>	<u>101,785</u>	<u>18,896</u>	<u>-</u>	<u>529,919</u>
Total liabilities and fund balance	<u>\$ 489,976</u>	<u>\$ 124,574</u>	<u>\$ 104,403</u>	<u>\$ 18,896</u>	<u>\$ (80,953)</u>	<u>\$ 656,896</u>

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

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

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

June 30, 2012

Total Fund balances - governmental funds	\$	529,919
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Some revenues will not be collected for several months after the Regional Office fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.	\$	16,805
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		<u>4,515</u>
Net assets of governmental activities	\$	<u><u>551,239</u></u>

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

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

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

For the Year Ended June 30, 2012

	General Fund	Education Fund	Institute Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
Revenues:						
Local sources	\$ 348,349	\$ 550	\$ 53,137	\$ 17,966	\$ -	\$ 420,002
State sources	783,772	296,888	-	1,375	-	1,082,035
State sources- payments made on behalf of region	460,555	-	-	-	-	460,555
Federal sources	46,892	33,186	-	-	-	80,078
Total Revenues	<u>1,639,568</u>	<u>330,624</u>	<u>53,137</u>	<u>19,341</u>	<u>-</u>	<u>2,042,670</u>
Expenditures:						
Instructional services						
Salaries and benefits	675,933	269,462	31,782	4,670	-	981,847
Purchased services	231,468	31,697	9,807	7,912	-	280,884
Supplies and materials	52,114	2,499	2,903	5,552	-	63,068
Other objects	1,482	-	4,523	-	-	6,005
Payments to other governments	286,474	1,517	-	-	-	287,991
Payments made on behalf of region	460,555	-	-	-	-	460,555
Capital outlay	4,610	-	-	-	-	4,610
Total expenditures	<u>1,712,636</u>	<u>305,175</u>	<u>49,015</u>	<u>18,134</u>	<u>-</u>	<u>2,084,960</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(73,068)</u>	<u>25,449</u>	<u>4,122</u>	<u>1,207</u>	<u>-</u>	<u>(42,290)</u>
Other financing sources (uses):						
Transfers in	37,500	-	-	-	(37,500)	-
Transfers out	(37,000)	(500)	-	-	37,500	-
Interest	923	36	70	13	-	1,042
Total other financing sources (uses)	<u>1,423</u>	<u>(464)</u>	<u>70</u>	<u>13</u>	<u>-</u>	<u>1,042</u>
Net change in fund balances	(71,645)	24,985	4,192	1,220	-	(41,248)
Fund balance (deficit) - beginning	<u>466,893</u>	<u>(10,995)</u>	<u>97,593</u>	<u>17,676</u>	<u>-</u>	<u>571,167</u>
Fund balance - ending	<u>\$ 395,248</u>	<u>\$ 13,990</u>	<u>\$ 101,785</u>	<u>\$ 18,896</u>	<u>\$ -</u>	<u>\$ 529,919</u>

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

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

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

For the Year Ended June 30, 2012

Net change in fund balances		\$ (41,248)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Some revenues will not be collected for several months after the Regional Office fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.</p>		
Reported in the funds - current year	\$ 16,805	
Reported in the funds - prior year	<u>(29,120)</u>	(12,315)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay	\$ 4,610	
Depreciation	<u>(2,506)</u>	<u>2,104</u>
Change in net assets of governmental activities		\$ (51,459)

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

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

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

JUNE 30, 2012

	Business-Type Activities- Enterprise Funds
	Local Workshops
Assets:	
Current assets:	
Cash and cash equivalents	\$ 107,697
Investments	62,362
Prepaid expenses	1,635
Total current assets	171,694
Noncurrent assets:	
Capital assets, being depreciated, net	2,854
Total noncurrent assets	2,854
Total assets	\$ 174,548
Net assets:	
Invested in capital assets, net of related debt	\$ 2,854
Unrestricted	171,694
Total net assets	\$ 174,548

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

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

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

For the Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds
	Local Workshops
Operating revenues:	
Local sources	\$ 78,760
Total operating revenues	78,760
Operating expenses:	
Salaries and benefits	76,272
Purchased services	72,288
Supplies and materials	4,090
Depreciation	2,324
Total operating expenses	154,974
Operating (loss)	(76,214)
Nonoperating revenues:	
Interest income	380
Total nonoperating revenue	380
Change in net assets	(75,834)
Total net assets - beginning	250,382
Total net assets - ending	\$ 174,548

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

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2012

	Business-Type Activities- Enterprise Funds
	Local Workshops
Cash flows from operating activities:	
Workshop receipts	\$ 83,536
Payments to suppliers and providers of goods and services	(76,378)
Payments to employees	(76,263)
Net cash (used for) operating activities	(69,105)
Cash flows from noncapital financing activities:	
Advances to other funds	73,773
Net cash provided by noncapital financing activities	73,773
Cash flows from investing activities:	
Purchase of investments	(250)
Interest received on investments	380
Net cash provided by investing activities	130
Net increase in cash and cash equivalents	4,798
Cash and cash equivalents - beginning	102,899
Cash and cash equivalents - ending	\$ 107,697
Reconciliation of operating (loss) to net cash (used for) operating activities:	
Operating (loss)	\$ (76,214)
Adjustments to reconcile operating (loss) to net cash (used for) operating activities:	
Depreciation	2,324
Decrease in due from other governments	4,776
Decrease in prepaid expense	9
Net cash (used for) operating activities	\$ (69,105)

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

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

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2012

	<u>Agency Funds</u>
Assets	
Accounts receivable	\$ 503
Due from other governments	<u>88,333</u>
Total Assets	<u><u>\$ 88,836</u></u>
Liabilities	
Cash overdraft	\$ 381
Deferred Revenue	122
Due to other governments	<u>88,333</u>
Total Liabilities	<u><u>\$ 88,836</u></u>

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

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

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

FINANCIAL REPORTING ENTITY

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

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

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

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

For the period ended June 30, 2012, the Regional Office of Education #11 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #11. Such activities are reported as a single major special revenue fund (i.e. within the Education Fund).

SCOPE OF THE REPORTING ENTITY

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

SCOPE OF THE REPORTING ENTITY (Continued)

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

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

NEW ACCOUNTING PRONOUNCEMENTS

In 2012, the Regional Office of Education #11 implemented Governmental Accounting Standards Board (GASB) Statement No. 57 - *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans* and GASB Statement No. 64 - *Derivative Instruments: Application of Hedge Accounting Termination Provisions*. The Regional Office of Education #11 implemented these standards during the current year; however, they did not have an impact on the financial statements.

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 #11's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education #11 has one business-type activity that relies on fees and charges for support.

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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 resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Assets. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. All internal balances in the Statement of Net Assets have been eliminated. The purpose of interfund borrowing and permanent transfers is to cover temporary or permanent shortfalls in cash flow within grant programs and funds.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

PROPRIETARY FUND FINANCIAL STATEMENTS

Proprietary fund financial statements include a Statement of Net 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.

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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

FUND ACCOUNTING

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

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are reported. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets 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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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 #11 has presented all major funds that met the above qualifications.

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

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

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

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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

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

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

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

American Recovery and Reinvestment Act (ARRA) - Education Jobs Fund Program – To account for federal funding passed through the State to provide assistance to save or create education jobs for the 2010-2011 school year.

Building Statewide Capacity (BSWC)- This fund is used to account for state grants used to provide professional development services for health related trainings and is paid on reimbursement basis. The grant was only for 2012.

Institute Fund - This fund accounts for fees from registrations. These funds are used to help pay certain administrative expenses incurred to conduct workshops and for general meetings with teachers and other school personnel. All funds generated remain restricted until expended only on the aforementioned activities.

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUND

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

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

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

FIDUCIARY FUND

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

Distributive Fund - This fund accounts for the proceeds apportioned to the Region that in turn distributes the proceeds to the member school districts.

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

Interest on Distributive Fund - Interest on the distributive fund is used to offset the monthly bank charges throughout the year.

GOVERNMENTAL FUND BALANCES

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

Nonspendable Fund Balance – The portion of a Governmental Fund's net assets that are not available to be spent, either short term or long term, in either form or through legal restrictions. There were no accounts presenting a nonspendable fund balance.

Restricted Fund Balance – The portion of a Governmental Fund's net assets that are subject to external enforceable legal restrictions. The following accounts' fund balances are restricted by grant agreements, contracts, or Illinois Statute: Homeless, Driver Ed, Illinois Violence Prevention Authority, Truants Alternative/Optional Education, Regional Safe Schools, ROE/ISC Operations, Title II - Teacher Quality Leadership, Title II - Teacher Quality, ARRA Education Jobs Fund Program, Building Statewide Capacity Grant, Institute, General Education Development, and Bus Driver Training.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUND BALANCES (Continued)

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

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

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

NET 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."

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit.

INVENTORY

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

CAPITAL ASSETS

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

COMPENSATED ABSENCES

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

ESTIMATES

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

BUDGET INFORMATION

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

2 DEPOSITS AND INVESTMENTS

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

A. DEPOSITS

At June 30, 2012, the carrying amount of the Regional Office of Education #11's government-wide and Agency fund deposits were \$549,102 and \$0, respectively, and the bank balances were \$589,752 and \$0, respectively. At June 30, 2012, \$256,938 of the Regional Office of Education #11's cash deposits was insured by the Federal Deposit Insurance Corporation. Another \$332,814 was collateralized by securities pledged by the Regional Office's financial institution on behalf of the Regional Office.

B. INVESTMENTS

As of June 30, 2012, the Regional Office of Education #11's government-wide and Agency funds had investments with carrying and fair values of \$183,400 and \$0, respectively, invested in certificates of deposit which were fully insured by the Federal Deposit Insurance Corporation.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2012

2 DEPOSITS AND INVESTMENTS (Continued)

CREDIT RISK

At June 30, 2012, 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.

3 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND

A. PLAN DESCRIPTION

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

B. FUNDING POLICY

As set by statute, the Regional Office of Education #11's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2011 used by the employer was 8.41 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2011 was 18.50 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2012

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

C. ANNUAL PENSION COST

For calendar year ending December 31, 2011, the employer's actual contributions for pension cost for the Regular were \$14,754. Its required contribution for calendar year 2011 was \$32,455.

Three-Year Trend Information for the Regular Plan:

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2011	\$ 32,455	45%	\$ 17,701
12/31/2010	12,827	100%	-
12/31/2009	12,783	100%	-

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 10 year basis.

D. FUNDED STATUS AND FUNDING PROGRESS

As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 81.79 percent funded. The actuarial accrued liability for benefits was \$501,297 and the actuarial value of assets was \$409,989, resulting in an underfunded actuarial accrued liability (UAAL) of \$91,308. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$175,430 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.

4 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2012

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 for the year ended June 30, 2012, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2011 and 2010.

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

ON BEHALF CONTRIBUTIONS TO TRS

The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #11. For the year ended June 30, 2012, State of Illinois contributions were based on 24.91 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #11 recognized revenue and expenditures of \$232,549 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2011 and June 30, 2010, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.10 percent (\$198,712) and 23.38 percent (\$201,139), respectively.

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

2.2 FORMULA CONTRIBUTIONS

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2012 were \$4,321. Contributions for the years ending June 30, 2011, and June 30, 2010, were \$1,969 and \$4,355, respectively.

FEDERAL AND SPECIAL TRUST FUND CONTRIBUTIONS

When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #11, there is a statutory requirement for the Regional Office of Education #11 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2012, the employer pension contribution was 24.91 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2011 and 2010, the employer contribution was 23.10 and 23.38 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2012, salaries totaling \$10,000 were paid from federal and special trust funds that required employer contributions of \$2,491. For the years ended June 30, 2011, and June 30, 2010, required Regional Office of Education #11 contributions were \$17,841 and \$18,565, respectively.

EARLY RETIREMENT OPTION (ERO)

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

The maximum ERO employer contribution is 117.5 percent and applies when the member is age 55 at retirement.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2012

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

For the years ended June 30, 2012, 2011 and 2010, the Regional Office of Education #11 paid no employer contributions to TRS under the ERO program.

SALARY INCREASES OVER 6 PERCENT AND EXCESS SICK LEAVE

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

For the years ended June 30, 2012, 2011 and 2010, the Regional Office of Education #11 paid no TRS for employer contributions due on salary increases in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the Regional Office of Education #11 during the four-year sick leave review period, and the TRS total normal cost rate (17.83 percent of salary during the year ended June 30, 2012).

For the years ended June 30, 2012, 2011 and 2010, the Regional Office of Education #11 paid no employer contributions to TRS for sick leave days granted in excess of the normal annual allotment.

FURTHER INFORMATION ON TRS

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2011. The report for the year ended June 30, 2012, is expected to be available in late 2012.

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

5 TEACHER HEALTH INSURANCE SECURITY FUND

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2012

5 TEACHER HEALTH INSURANCE SECURITY FUND (Continued)

ON BEHALF CONTRIBUTIONS TO THIS FUND

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #11. State contributions are intended to match contributions to THIS Fund from active members which were 0.88 percent of pay during the year ended June 30, 2012. State of Illinois contributions were \$6,554, and the Regional Office of Education #11 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the year ended June 30, 2011 and June 30, 2010 were 0.88 percent and 0.84 percent of pay, respectively. State contributions on behalf of Regional Office of Education #11 employees were \$6,613 and \$6,284, respectively.

EMPLOYER CONTRIBUTIONS TO THIS FUND

The Regional Office of Education #11 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.66 percent during each of the years ended June 30, 2012, and June 30, 2011, and 0.63 during the year ended June 30, 2010. For the year ended June 30, 2012, the Regional Office of Education #11 paid \$4,916 to the THIS Fund. For the years ended June 30, 2011 and 2010, the Region paid \$4,960 and \$4,713, to the THIS Fund, respectively, which was 100% of the required contribution.

FURTHER INFORMATION ON THIS FUND

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

6 DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2012 consist of the following individual due to/from other funds in the governmental fund balance sheet and in the proprietary fund balance sheet. The balances between governmental funds were eliminated in the government-wide Statement of Net Assets. Interfund loans were made for the purpose of providing cash to funds that were awaiting reimbursements from grantors.

Fund	Due From Other Funds	Due To Other Funds
General Fund		
County Support	\$ 80,953	\$ -
Education Fund		
Regional Safe Schools	-	35,051
Truants Alternative/Optional Education	-	32,172
Driver Ed	-	3,305
Homeless	-	10,425
	<u>\$ 80,953</u>	<u>\$ 80,953</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2012

7 ON BEHALF PAYMENTS

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

Regional Superintendent Salary	\$	104,616
Regional Superintendent Fringe Benefit (Includes State paid insurance)		14,824
Assistant Regional Superintendent Salary		94,152
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)		7,860
Contributions to TRS and THIS		<u>239,103</u>
 Total	 \$	 <u><u>460,555</u></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 financial statements as State revenue and expenditures.

8 CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #11 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental fund statements. The following equipment is separated by fund. The following table provides a summary of changes in capital assets for the year ended June 30, 2012:

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
Governmental Activities:				
General Funds				
County Support	\$ 48,506	\$ -	\$ 500	\$ 48,006
Direct Services	141	-	141	-
Youth Services	<u>18,168</u>	<u>4,610</u>	<u>-</u>	<u>22,778</u>
Total for General Funds	<u>66,815</u>	<u>4,610</u>	<u>641</u>	<u>70,784</u>
Special Revenue Funds				
Major Funds				
Institute	565	-	1	564
Nonmajor Funds				
General Education Development	<u>400</u>	<u>-</u>	<u>400</u>	<u>-</u>
Total for Special Revenue Funds	<u>965</u>	<u>-</u>	<u>401</u>	<u>564</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2012

8 CAPITAL ASSETS (Continued)

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Education Funds				
Area IV - System of Support	\$ 3,156	\$ -	\$ -	\$ 3,156
ROE/ISC Operations	4,664	-	2,495	2,169
Regional Safe Schools	67,142	-	-	67,142
Title I - Reading First Part B SEA	2,430	-	-	2,430
Title II - Teacher Quality	890	-	-	890
Technology Enhancing Education	7,244	-	-	7,244
Total for Education Funds	<u>85,526</u>	<u>-</u>	<u>2,495</u>	<u>83,031</u>
Total - Governmental Funds	153,306	4,610	3,537	154,379
Less: Accumulated Depreciation	<u>150,895</u>	<u>2,506</u>	<u>3,537</u>	<u>149,864</u>
Investment in Capital Assets, Net				
Governmental Activities	<u>\$ 2,411</u>	<u>\$ 2,104</u>	<u>\$ -</u>	<u>\$ 4,515</u>
	Balance			Balance
	July 1, 2011	Additions	Deletions	June 30, 2012
Business-Type Activities:				
Local Workshops	\$ 35,589	\$ -	\$ 552	\$ 35,037
Less: Accumulated Depreciation	<u>30,411</u>	<u>2,324</u>	<u>552</u>	<u>32,183</u>
Investment in Capital Assets, Net	<u>\$ 5,178</u>	<u>\$ (2,324)</u>	<u>\$ -</u>	<u>\$ 2,854</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2012 of \$2,506 and \$2,324 was charged to governmental activities and business-type activities, respectively. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

9 RISK MANAGEMENT

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

10 INTERFUND ACTIVITY

Interfund transfer in/out to other fund balances at June 30, 2012 consist of the following individual transfers in/out other funds in the governmental fund balance sheet. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2012

10 INTERFUND ACTIVITY (Continued)

Fund	Transfer In	Transfer Out
General Fund		
County Support	\$ 500	\$ 37,000
Youth Services	37,000	-
Education Fund		
Illinois Violence Prevention Authority	-	500
	<u>\$ 37,500</u>	<u>\$ 37,500</u>

11 DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #11's Agency Fund, General Fund, Education Fund, and Institute Fund have funds due to and due from various other governmental units which consist of the following at June 30, 2012:

Due from Other Governments:

Agency Fund	
Illinois State Board of Education	\$ 88,333
General Fund	
Illinois State Board of Education	13,500
Education Fund	
Illinois State Board of Education	67,223
Local School Districts	3,305
Iroquois-Kankakee Regional Office of Education	10,425
Total	<u>\$ 182,786</u>

Due to Other Governments:

Agency Fund	
Local School Districts	\$ 88,333
General Fund	
Local School Districts	13,500
Institute Fund	
State	2,618
Total	<u>\$ 104,451</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2012

12 OPERATING LEASES

The Regional Office of Education #11 has entered into several operating lease agreements for its office facilities, Bridges Alternative School Program, Regional Safe Schools Program, a postage meter and two copiers. During the year ended June 30, 2012 rentals under lease obligations were \$65,555. Future minimum rentals are as follows for the years ending June 30:

	2013	\$	65,555
	2014		56,330
	2015		52,775
	2016		44,917
	2017		44,280
	2018-2021		<u>151,290</u>
Total		\$	<u>415,147</u>

13 OTHER POSTEMPLOYMENT BENEFITS

The Regional Office of Education #11 has evaluated its potential other post employment benefits liability. Former employees who choose to retain their rights to health insurance through the Regional Office of Education #11 are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Regional Office of Education #11's health insurance plan. Therefore, there has been zero percent utilization and therefore no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Regional Office of Education #11 had no former employees for which the Regional Office of Education #11 was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Regional Office of Education #11 has not recorded any post employment benefit liability as of June 30, 2012.

14 OTHER REQUIRED FUND DISCLOSURES

Deficit fund balances at June 30, 2012 are as follows:

Youth Services	\$	11,741
Driver Ed	\$	3,305

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

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

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
(UNAUDITED)

JUNE 30, 2012

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)
12/31/11	409,989	501,297	91,308	81.79%	175,430	52.05%
12/31/10	324,173	512,138	187,965	63.30%	186,988	100.52%
12/31/09	317,411	468,559	151,148	67.74%	215,933	70.00%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$365,167.

On a market basis, the funded ratio would be 72.84%.

See accompanying Independent Auditor's Report.

SUPPLEMENTAL INFORMATION

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

COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND

JUNE 30, 2012

	County Support	Direct Service	Youth Services	Total
Assets				
Cash and cash equivalents	\$ 208,422	\$ 16,488	\$ 66,870	\$ 291,780
Investments	39,482	64,261	-	103,743
Due from other funds	80,953	-	-	80,953
Due from other governments State	-	-	13,500	13,500
Total assets	\$ 328,857	\$ 80,749	\$ 80,370	\$ 489,976
Liabilities and fund balance				
Liabilities				
Accounts payable	\$ -	\$ 1,050	\$ 15,721	\$ 16,771
Payroll liabilities	1,567	-	49,390	50,957
Due to other governments	-	-	13,500	13,500
Deferred revenue	-	-	13,500	13,500
Total liabilities	1,567	1,050	92,111	94,728
Fund Balance (deficit)				
Assigned	327,290	-	1,759	329,049
Unassigned	-	79,699	(13,500)	66,199
Total fund balance (deficit)	327,290	79,699	(11,741)	395,248
Total liabilities and fund balance (deficit)	\$ 328,857	\$ 80,749	\$ 80,370	\$ 489,976

See accompanying Independent Auditor's Report.

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

For the Year Ended June 30, 2012

	County Support	Direct Service	Youth Services	Total
Revenues				
Local sources	\$ 278,494	\$ 64,695	\$ 5,160	\$ 348,349
State sources	-	1,021	782,751	783,772
State sources-payments made on behalf of region	460,555	-	-	460,555
Federal sources	-	-	46,892	46,892
	<u>739,049</u>	<u>65,716</u>	<u>834,803</u>	<u>1,639,568</u>
Expenditures				
Salaries and benefits	193,510	4,659	477,764	675,933
Purchased services	62,255	62,408	106,805	231,468
Supplies and materials	10,392	-	41,722	52,114
Other objects	-	336	1,146	1,482
Payments to other governments	-	-	286,474	286,474
Payments made on behalf of region	460,555	-	-	460,555
Capital outlay	-	-	4,610	4,610
	<u>726,712</u>	<u>67,403</u>	<u>918,521</u>	<u>1,712,636</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,337</u>	<u>(1,687)</u>	<u>(83,718)</u>	<u>(73,068)</u>
Other financing sources (uses)				
Transfers in	500	-	37,000	37,500
Transfers out	(37,000)	-	-	(37,000)
Interest	320	542	61	923
	<u>(36,180)</u>	<u>542</u>	<u>37,061</u>	<u>1,423</u>
Net change in fund balances	(23,843)	(1,145)	(46,657)	(71,645)
Fund balance - beginning	<u>351,133</u>	<u>80,844</u>	<u>34,916</u>	<u>466,893</u>
Fund balance - ending	<u>\$ 327,290</u>	<u>\$ 79,699</u>	<u>\$ (11,741)</u>	<u>\$ 395,248</u>

See accompanying Independent Auditor's Report.

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

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS

JUNE 30, 2012

	Homeless	Driver Ed	Illinois Violence Prevention Authority	Truants Alternative/ Optional Education
Assets				
Cash and cash equivalents	\$ 1,268	\$ 388	\$ 7,070	\$ 8,499
Investments	-	-	-	-
Due from other governments:				
Local	-	3,305	-	-
State	-	-	-	32,172
Federal	10,425	-	-	-
	<u>10,425</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 11,693</u>	<u>\$ 3,693</u>	<u>\$ 7,070</u>	<u>\$ 40,671</u>
Liabilities and fund balance				
Liabilities				
Accounts payable	\$ -	\$ 388	\$ -	\$ -
Payroll liabilities	1,268	-	-	8,499
Due to other funds	10,425	3,305	-	32,172
Deferred revenue	-	3,305	7,070	-
	<u>-</u>	<u>3,305</u>	<u>7,070</u>	<u>-</u>
Total liabilities	<u>11,693</u>	<u>6,998</u>	<u>7,070</u>	<u>40,671</u>
Fund Balance (deficit)				
Restricted	-	-	-	-
Unassigned	-	(3,305)	-	-
	<u>-</u>	<u>(3,305)</u>	<u>-</u>	<u>-</u>
Total fund balance (deficit)	<u>-</u>	<u>(3,305)</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance (deficit)	<u>\$ 11,693</u>	<u>\$ 3,693</u>	<u>\$ 7,070</u>	<u>\$ 40,671</u>

See accompanying Independent Auditor's Report.

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

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS

JUNE 30, 2012

	Regional Safe Schools	ROE/ISC Operations	Title II - Teacher Quality Leadership	Title II - Teacher Quality
Assets				
Cash and cash equivalents	\$ 9,101	\$ -	\$ -	\$ -
Investments	-	17,295	-	-
Due from other governments:				
Local	-	-	-	-
State	35,051	-	-	-
Federal	-	-	-	-
	<u>\$ 44,152</u>	<u>\$ 17,295</u>	<u>\$ -</u>	<u>\$ -</u>
Total assets	<u>\$ 44,152</u>	<u>\$ 17,295</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities and fund balance				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll liabilities	9,101	-	-	-
Due to other funds	35,051	-	-	-
Deferred revenue	-	-	-	-
	<u>44,152</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>44,152</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (deficit)				
Restricted	-	17,295	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>17,295</u>	<u>-</u>	<u>-</u>
Total fund balance (deficit)	<u>-</u>	<u>17,295</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance (deficit)	<u>\$ 44,152</u>	<u>\$ 17,295</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

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

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS

JUNE 30, 2012

	ARRA - Education Jobs Fund Program	Building Statewide Capacity	Total
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ 26,326
Investments	-	-	17,295
Due from other governments:			
Local	-	-	3,305
State	-	-	67,223
Federal	-	-	10,425
	-	-	10,425
Total assets	\$ -	\$ -	\$ 124,574
Liabilities and fund balance			
Liabilities			
Accounts payable	\$ -	\$ -	\$ 388
Payroll liabilities	-	-	18,868
Due to other funds	-	-	80,953
Deferred revenue	-	-	10,375
	-	-	10,375
Total liabilities	-	-	110,584
Fund Balance (deficit)			
Restricted	-	-	17,295
Unassigned	-	-	(3,305)
	-	-	(3,305)
Total fund balance (deficit)	-	-	13,990
Total liabilities and fund balance (deficit)	\$ -	\$ -	\$ 124,574

See accompanying Independent Auditor's Report.

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

For the Year Ended June 30, 2012

	<u>Homeless</u>	<u>Driver Ed</u>	<u>Illinois Violence Prevention Authority</u>	<u>Truants Alternative/ Optional Education</u>
Revenues				
Local sources	\$ -	\$ 550	\$ -	\$ -
State sources	-	1,102	19,453	106,514
Federal sources	29,955	-	-	-
Total revenues	<u>29,955</u>	<u>1,652</u>	<u>19,453</u>	<u>106,514</u>
Expenditures				
Salaries and benefits	17,000	-	16,121	88,066
Purchased services	10,902	4,957	2,683	8,457
Supplies and materials	2,053	-	153	-
Payments to other governments	-	-	-	-
Total expenditures	<u>29,955</u>	<u>4,957</u>	<u>18,957</u>	<u>96,523</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(3,305)</u>	<u>496</u>	<u>9,991</u>
Other financing sources (uses):				
Transfer out	-	-	(500)	-
Interest	-	-	4	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(496)</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(3,305)</u>	<u>-</u>	<u>9,991</u>
Fund balance (deficit) - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,991)</u>
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ (3,305)</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

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

For the Year Ended June 30, 2012

	Regional Safe Schools	ROE/ISC Operations	Title II - Teacher Quality Leadership	Title II - Teacher Quality
Revenues				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	128,566	40,304	-	-
Federal sources	-	-	869	1,184
Total revenues	<u>128,566</u>	<u>40,304</u>	<u>869</u>	<u>1,184</u>
Expenditures				
Salaries and benefits	115,676	31,421	-	-
Purchased services	1,177	1,388	-	1,184
Supplies and materials	-	293	-	-
Payments to other governments	-	648	869	-
Total expenditures	<u>116,853</u>	<u>33,750</u>	<u>869</u>	<u>1,184</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,713</u>	<u>6,554</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Transfer out	-	-	-	-
Interest	-	32	-	-
Total other financing sources (uses)	<u>-</u>	<u>32</u>	<u>-</u>	<u>-</u>
Net change in fund balances	11,713	6,586	-	-
Fund balance (deficit) - beginning	<u>(11,713)</u>	<u>10,709</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ 17,295</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

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

For the Year Ended June 30, 2012

	<u>ARRA - Education Jobs Fund Program</u>	<u>Building Statewide Capacity</u>	<u>Total</u>
Revenues			
Local sources	\$ -	\$ -	\$ 550
State sources	-	949	296,888
Federal sources	<u>1,178</u>	<u>-</u>	<u>33,186</u>
Total revenues	<u>1,178</u>	<u>949</u>	<u>330,624</u>
Expenditures			
Salaries and benefits	1,178	-	269,462
Purchased services	-	949	31,697
Supplies and materials	-	-	2,499
Payments to other governments	<u>-</u>	<u>-</u>	<u>1,517</u>
Total expenditures	<u>1,178</u>	<u>949</u>	<u>305,175</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>25,449</u>
Other financing sources (uses):			
Transfer out	-	-	(500)
Interest	<u>-</u>	<u>-</u>	<u>36</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(464)</u>
Net change in fund balances	-	-	24,985
Fund balance (deficit) - beginning	<u>-</u>	<u>-</u>	<u>(10,995)</u>
Fund balance (deficit) - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 13,990</u></u>

See accompanying Independent Auditor's Report.

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

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
HOMELESS

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 28,206	\$ 29,956	\$ 29,955
Total revenues	<u>28,206</u>	<u>29,956</u>	<u>29,955</u>
Expenditures			
Salaries and benefits	16,991	16,991	17,000
Purchased services	8,763	10,513	10,902
Supplies and materials	<u>2,452</u>	<u>2,452</u>	<u>2,053</u>
Total expenditures	<u>28,206</u>	<u>29,956</u>	<u>29,955</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance -beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Independent Auditor's Report.

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

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE / OPTIONAL EDUCATION

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 96,522	\$ 96,522	\$ 106,514
Total revenues	<u>96,522</u>	<u>96,522</u>	<u>106,514</u>
Expenditures			
Salaries and benefits	87,395	87,395	88,066
Purchased services	9,127	9,127	8,457
Total expenditures	<u>96,522</u>	<u>96,522</u>	<u>96,523</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>9,991</u>
Net change in fund balance	-	-	9,991
Fund balance (deficit) -beginning	<u>-</u>	<u>-</u>	<u>(9,991)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: \$9,992 of revenue was deferred from FY11 program and recognized in FY12.

See accompanying Independent Auditor's Report.

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

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 116,853	\$ 116,853	\$ 128,566
Total revenues	<u>116,853</u>	<u>116,853</u>	<u>128,566</u>
Expenditures			
Salaries and benefits	115,516	115,516	115,676
Purchased services	<u>1,337</u>	<u>1,337</u>	<u>1,177</u>
Total expenditures	<u>116,853</u>	<u>116,853</u>	<u>116,853</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>11,713</u>
Net change in fund balance	-	-	11,713
Fund balance (deficit) - beginning	<u>-</u>	<u>-</u>	<u>(11,713)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: \$11,713 of revenue was deferred from FY11 program and recognized in FY12.

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

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ROE/ISC Operations

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State	\$ 32,889	\$ 32,889	\$ 40,304
Total revenues	<u>32,889</u>	<u>32,889</u>	<u>40,304</u>
Expenditures			
Salaries and benefits	31,205	31,205	31,421
Purchased services	1,284	1,284	1,388
Supplies and materials	400	400	293
Payments to other governments	-	-	648
Total expenditures	<u>32,889</u>	<u>32,889</u>	<u>33,750</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>6,554</u>
Other Financing Sources			
Interest	-	-	32
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>32</u>
Net change in fund balance	-	-	6,586
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>10,709</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,295</u>

Note: \$7,415 of revenue was deferred from FY11 program and recognized in FY12.

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

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TITLE II - TEACHER QUALITY

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 1,184	\$ 1,184	\$ 1,184
Total revenues	<u>1,184</u>	<u>1,184</u>	<u>1,184</u>
Expenditures			
Purchased services	<u>1,184</u>	<u>1,184</u>	<u>1,184</u>
Total expenditures	<u>1,184</u>	<u>1,184</u>	<u>1,184</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

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

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2012

	<u>General Education Development</u>	<u>Bus Driver Training</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 9,359	\$ 9,537	\$ 18,896
Total assets	<u>\$ 9,359</u>	<u>\$ 9,537</u>	<u>\$ 18,896</u>
Liabilities and fund balance			
Liabilities	\$ -	\$ -	\$ -
Fund Balance			
Restricted	<u>9,359</u>	<u>9,537</u>	<u>18,896</u>
Total fund balances	<u>9,359</u>	<u>9,537</u>	<u>18,896</u>
Total liabilities and fund balance	<u>\$ 9,359</u>	<u>\$ 9,537</u>	<u>\$ 18,896</u>

See accompanying Independent Auditor's Report.

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

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

For the Year Ended June 30, 2012

	<u>General Education Development</u>	<u>Bus Driver Training</u>	<u>Total</u>
Revenues			
Local sources	\$ 14,028	\$ 3,938	\$ 17,966
State sources	-	1,375	1,375
	<u>14,028</u>	<u>5,313</u>	<u>19,341</u>
Total revenues			
Expenditures			
Salaries and benefits	4,670	-	4,670
Purchased services	4,917	2,995	7,912
Supplies and materials	3,433	2,119	5,552
	<u>13,020</u>	<u>5,114</u>	<u>18,134</u>
Total expenditures			
Excess of revenues over expenditures	<u>1,008</u>	<u>199</u>	<u>1,207</u>
Other financing sources			
Interest	<u>6</u>	<u>7</u>	<u>13</u>
Total other financing sources	<u>6</u>	<u>7</u>	<u>13</u>
Net change in fund balances	1,014	206	1,220
Fund balances - beginning	<u>8,345</u>	<u>9,331</u>	<u>17,676</u>
Fund balances - ending	<u>\$ 9,359</u>	<u>\$ 9,537</u>	<u>\$ 18,896</u>

See accompanying Independent Auditor's Report.

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

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS

JUNE 30, 2012

	Distributive	Regional Trustee Fund	Total
Assets			
Accounts receivable	\$ -	\$ 503	\$ 503
Due from other governments	88,333	-	88,333
Total assets	\$ 88,333	\$ 503	\$ 88,836
Liabilities			
Cash overdraft	\$ -	\$ 381	\$ 381
Deferred Revenue	-	122	122
Due to other governments	88,333	-	88,333
Total liabilities	\$ 88,333	\$ 503	\$ 88,836

See accompanying Independent Auditor's Report.

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

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended June 30, 2012

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>DISTRIBUTIVE</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 6,783,643	\$ 6,783,643	\$ -
Due from other governments	4,591,094	88,333	4,591,094	88,333
Total assets	<u>\$ 4,591,094</u>	<u>\$ 6,871,976</u>	<u>\$ 11,374,737</u>	<u>\$ 88,333</u>
Liabilities				
Due to other governments	\$ 4,591,094	\$ 6,871,976	\$ 11,374,737	\$ 88,333
Total liabilities	<u>\$ 4,591,094</u>	<u>\$ 6,871,976</u>	<u>\$ 11,374,737</u>	<u>\$ 88,333</u>
<u>REGIONAL TRUSTEE FUND</u>				
Assets				
Accounts receivable	\$ 513	\$ 122	\$ 132	\$ 503
Total assets	<u>\$ 513</u>	<u>\$ 122</u>	<u>\$ 132</u>	<u>\$ 503</u>
Liabilities				
Cash overdraft	\$ 513	\$ -	\$ 132	\$ 381
Deferred revenue	-	122	-	122
Total liabilities	<u>\$ 513</u>	<u>\$ 122</u>	<u>\$ 132</u>	<u>\$ 503</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 6,783,643	\$ 6,783,643	\$ -
Accounts receivable	513	122	132	503
Due from other governments	4,591,094	88,333	4,591,094	88,333
Total assets	<u>\$ 4,591,607</u>	<u>\$ 6,872,098</u>	<u>\$ 11,374,869</u>	<u>\$ 88,836</u>
Liabilities				
Cash overdraft	\$ 513	\$ -	\$ 132	\$ 381
Deferred revenue	-	122	-	122
Due to other governments	4,591,094	6,871,976	11,374,737	88,333
Total liabilities	<u>\$ 4,591,607</u>	<u>\$ 6,872,098</u>	<u>\$ 11,374,869</u>	<u>\$ 88,836</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES
 For the Year Ended June 30, 2012

Program Description	Program Number	Marshall CUSD #C-2	Martinsville CUSD #C-3	Casey Westfield CUSD #C-4	Mattoon CUSD #2	Oakland CUSD #5	Neoga CUSD #3	Cumberland CUSD #77	Arthur CUSD #305
General State Aid - Sec. 18-8	3001								
Sp. Ed. - Private Facility Tuition	3100	12,050			3,660		6,890		
Sp. Ed. - Extraordinary	3105	52,901	28,919	38,444	251,672	22,700	28,499	36,042	17,484
Sp. Ed. - Personnel	3110	54,863	19,086	54,757	356,700	17,526	26,320	41,000	21,158
Sp. Ed. - Orphanage - Individual	3120								
Bilingual Ed. - Downstate - TPI & TBE	3305								
State Free Lunch & Breakfast	3360		288		14,854	211			
Driver Education	3370								
Transportation - Regular & Vocational	3500	77,336	55,428	53,443	91,904	42,629	31,960	78,387	19,040
Transportation - Special Education	3510	30,531	37,492	36,496	147,316	33,673	29,797	43,323	19,144
ROE School Bus Driver Training	3520								
Truants Alternative/Operational Ed.	3695								
Regional Safe Schools	3696								
Early Childhood - Block Grant	3705		46,112		198,436				
ROE/ISC Operations	3730								
National School Lunch Program	4210								
School Breakfast Program	4220								
IASA - Title I - Low Income	4300								
ARRA-Education Jobs	4880								
Title II - Teacher Quality	4932								
Title II - Leadership	4935								
		<u>\$ 227,681</u>	<u>\$ 187,325</u>	<u>\$ 183,140</u>	<u>\$ 1,064,542</u>	<u>\$ 116,739</u>	<u>\$ 123,466</u>	<u>\$ 198,752</u>	<u>\$ 76,826</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES
 For the Year Ended June 30, 2012

Program Description	Program Number	Arcola CUSD #306	Shiloh CUSD #1	Kansas CUSD #3	Paris Crestwood CUSD #4	Lovington CUSD #303	Cowden Herrick CUSD #3A	Shelbyville CUSD #4
General State Aid - Sec. 18-8	3001							
Sp. Ed. - Private Facility Tuition	3100						1,132	
Sp. Ed. - Extraordinary	3105	27,250	15,198	8,959	25,726	10,535	16,249	44,930
Sp. Ed. - Personnel	3110	47,877	23,378	8,150	20,006	19,954	22,166	51,302
Sp. Ed. - Orphanage - Individual	3120						1,393	3,080
Bilingual Ed. - Downstate - TPI & TBE	3305	8,191						
State Free Lunch & Breakfast	3360							
Driver Education	3370							
Transportation - Regular & Vocational	3500	9,354	22,005		44,758	10,756	9,827	27,613
Transportation - Special Education	3510	52,249	27,861		11,542	15,360	22,232	20,999
ROE School Bus Driver Training	3520							
Truants Alternative/Operational Ed.	3695							
Regional Safe Schools	3696							
Early Childhood - Block Grant	3705		66,767					36,000
ROE/ISC Operations	3730							
National School Lunch Program	4210							
School Breakfast Program	4220							
IASA - Title I - Low Income	4300							
ARRA-Education Jobs	4880							
Title II - Teacher Quality	4932							
Title II - Leadership	4935							
		\$ 144,921	\$ 155,209	\$ 17,109	\$ 102,032	\$ 56,605	\$ 72,999	\$ 183,924

-72-

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES
 For the Year Ended June 30, 2012

Program Description	Program Number	Central A&M CUSD #21	Edgar Chrisman CUSD #6	ROE/PDD	TAOEP Lake Land College	Bridges & Youth Services Programs	Other Programs	Total
General State Aid - Sec. 18-8	3001	\$ 744,732			\$ 109,321	\$ 671,197		\$ 1,525,250
Sp. Ed. - Private Facility Tuition	3100	3,660						27,392
Sp. Ed. - Extraordinary	3105	92,404	26,255					744,167
Sp. Ed. - Personnel	3110	1,600	37,600					823,443
Sp. Ed. - Orphanage - Individual	3120	366,480						370,953
Bilingual Ed. - Downstate - TPI & TBE	3305							8,191
State Free Lunch & Breakfast	3360	5,906	259			2,027		23,545
Driver Education	3370	2,956						2,956
Transportation - Regular & Vocational	3500	90,261	21,950					686,651
Transportation - Special Education	3510	59,417	11,256					598,688
ROE School Bus Driver Training	3520						1,375	1,375
Truants Alternative/Operational Ed.	3695					124,302		124,302
Regional Safe Schools	3696					152,082		152,082
Early Childhood - Block Grant	3705		27,649				1,068,468	1,443,432
ROE/ISC Operations	3730			70,198			2,741	72,939
National School Lunch Program	4210	20,761				25,096	3,614	49,471
School Breakfast Program	4220	5,723				15,919	2,263	23,905
IASA - Title I - Low Income	4300	73,462						73,462
ARRA-Education Jobs	4880					9,918		9,918
Title II - Teacher Quality	4932	10,676				1,184		11,860
Title II - Leadership	4935			9,661				9,661
		<u>\$ 1,478,038</u>	<u>\$ 124,969</u>	<u>\$ 79,859</u>	<u>\$ 109,321</u>	<u>\$ 1,001,725</u>	<u>\$ 1,078,461</u>	<u>\$ 6,783,643</u>

See accompanying Independent Auditor's Report.