

**State of Illinois  
BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28  
FINANCIAL AUDIT  
(In accordance with the Single Audit Act  
& OMB Circular A-133)  
For the Year Ended June 30, 2011**

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



## TABLE OF CONTENTS

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	<b><u>Page Number</u></b>
Officials	1
Compliance Report Summary	2-3
Financial Statement Report Summary	4
Independent Auditor's Report	5-6
Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based On an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	7-8
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance In Accordance With OMB Circular A-133	9-10
Schedule of Findings and Questioned Costs	11-13
Corrective Action Plan for Current Year Audit Findings	14
Summary Schedule of Prior Year's Findings	15
Management's Discussion and Analysis	16-20
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	21
Statement of Activities	22
Fund Financial Statements:	
Balance Sheet – Governmental Funds	23
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	24
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities – Governmental Funds	26
Statement of Fiduciary Net Assets	27
Notes to the Financial Statements	28-43
Required Supplemental Information	
Schedule of Funding Progress- Illinois Municipal Retirement Fund	44

## TABLE OF CONTENTS

(Continued)

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	<u>Page Number</u>
Supplemental Information	
Combining Schedule of Accounts – General Fund Accounts	45
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – General Fund Accounts	46
Budgetary Comparison Schedule – General Fund Accounts	47
Combining Schedule of Accounts – Education Fund Accounts	48
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Education Fund Accounts	49
Budgetary Comparison Schedules – Education Fund Accounts	50-62
Combining Balance Sheet – Nonmajor Special Revenue Funds	63
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	64
Combining Statement of Fiduciary Net Assets – Agency Funds	65
Combining Statement of Changes in Assets and Liabilities – Agency Funds	66
Other Financial Data	
Schedule of Disbursements to School District Treasurers and Other Entities	67-75
Federal Compliance Section	
Schedule of Expenditures of Federal Awards	76
Notes to the Schedule of Expenditures of Federal Awards	77

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28**

**OFFICIALS**

Regional Superintendent	Dr. Bruce Dennison (during the audit period)
Regional Superintendent	Ms. Angela Zarvell (current)
Assistant Regional Superintendent	Ms. Angela Zarvell (during the audit period)
Assistant Regional Superintendent	Mr. Brad Hulick (current)

Offices are located at:

107 South State Street  
Atkinson, Illinois 61235-9788

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28**

**COMPLIANCE REPORT SUMMARY**

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

**AUDITORS' REPORTS**

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

**SUMMARY OF AUDIT FINDINGS**

<b><u>Number of</u></b>	<b><u>This Audit</u></b>	<b><u>Prior Audit</u></b>
Audit findings	5	4
Repeated audit findings	4	2
Prior recommendations implemented or not repeated	0	0

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

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

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

<b><u>Item No.</u></b>	<b><u>Page</u></b>	<b><u>Description</u></b>	<b><u>Finding Type</u></b>
<b>FINDINGS (GOVERNMENT AUDITING STANDARDS)</b>			
11-1	12/12a	Controls Over Financial Statement Preparation	Significant Deficiency
11-2	12b	Segregation of Cash and Fund Balances	Significant Deficiency
11-3	12c/d/e	Inaccurate Budgets and Expenditure Reports	Significant Deficiency Compliance
11-4	12f/g	Cost Allocation Plan	Significant Deficiency Compliance
11-5	12h	Reimbursement of Program Expenses	Material Weakness
<b>FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)</b>			
11-3	12c/d/e	Inaccurate Budgets and Expenditure Reports	Significant Deficiency Compliance
11-4	12f/g	Cost Allocation Plan	Significant Deficiency Compliance

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28**

**COMPLIANCE REPORT SUMMARY (Continued)**

**PRIOR AUDIT FINDINGS NOT REPEATED  
(GOVERNMENT AUDITING STANDARDS)**

-N/A-

**PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)**

-N/A-

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference held on August 6, 2012. Attending were Angela Zarvell, Regional Superintendent, Lisa Brackett, bookkeeper, Tonya Lofgren, auditor with Wipfli LLP and Kelly Mittlestaedt, Audit Manager with the Illinois Office of the Auditor General. Responses to the recommendations were provided by Angela Zarvell, Regional Superintendent on August 8, 2012.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28**

**FINANCIAL STATEMENT REPORT  
SUMMARY**

The audit of the accompanying basic financial statements of Bureau/Henry/Stark Counties Regional Office of Education #28 (ROE) was performed by Wipfli LLP.

Based on their audit, the auditors expressed an unqualified opinion on the ROE's basic financial statements.



## INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bureau/Henry/Stark Counties Regional Office of Education #28, as of and for the year ended June 30, 2011, which collectively comprise the Bureau/Henry/Stark Counties Regional Office of Education #28's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Bureau/Henry/Stark Counties Regional Office of Education #28's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Bureau/Henry/Stark Counties Regional Office of Education #28, as of June 30, 2011, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 13, the Regional Office of Education #28 adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended June 30, 2011. The statement changed the classifications of governmental fund balances and clarified the definitions of existing fund types. The adoption of this statement had no effect on any of the Regional Office of Education #28's governmental funds' assets or liabilities nor was there any effect to the total amount of any of the Regional Office of Education #28's governmental fund balances as of and for the year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2012 on our consideration of Bureau/Henry/Stark Counties Regional Office of Education #28's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 16 through 20 and 44 are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bureau/Henry/Stark Counties Regional Office of Education #28's basic financial statements. The accompanying supplemental information, such as the combining and individual nonmajor fund financial statements, budgetary comparison schedules and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

*Wipfli LLP*

Dixon, Illinois  
August 10, 2012

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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bureau/Henry/Stark Counties Regional Office of Education #28, as of and for the year ended June 30, 2011, which collectively comprise the Bureau/Henry/Stark Counties Regional Office of Education #28's basic financial statements and have issued our report thereon dated August 10, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of the Bureau/Henry/Stark Counties Regional Office of Education No. 28 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Bureau/Henry/Stark Counties Regional Office of Education No. 28's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion(s) on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bureau/Henry/Stark Counties Regional Office of Education No. 28's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bureau/Henry/Stark Counties Regional Office of Education No. 28's internal control over financial reporting.

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in finding 11-5 in the accompanying Schedule of Findings and Questioned Costs to be a material weakness. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in findings 11-1, 11-2, 11-3 and 11-4 in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bureau/Henry/Stark Counties Regional Office of Education #28'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 11-3 and 11-4.

We also noted a certain matter which we have reported to management of the Bureau/Henry/Stark Counties Regional Office of Education #28 in a separate letter dated August 10, 2012.

Bureau/Henry/Stark Counties Regional Office of Education #28's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Bureau/Henry/Stark Counties Regional Office of Education #28's responses and, accordingly, we express no opinion on it.

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

*Wipfli LLP*

Dixon, Illinois  
August 10, 2012

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

Honorable William G. Holland  
Auditor General  
State of Illinois

Compliance

We have audited Bureau/Henry/Stark Counties Regional Office of Education #28's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Bureau/Henry/Stark Counties Regional Office of Education #28's major federal programs for the year ended June 30, 2011. The Regional Office of Education #28's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Regional Office of Education #28's management. Our responsibility is to express an opinion on Regional Office of Education #28's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Regional Office of Education #28's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Regional Office of Education #28's compliance with those requirements.

In our opinion, the Bureau/Henry/Stark Counties Regional Office of Education #28 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 11-3 and 11-4.

Internal Control Over Compliance

Management of Bureau/Henry/Stark Counties Regional Office of Education #28 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Bureau/Henry/Stark Counties Regional Office of Education #28's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Regional Office of Education #28's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as items 11-3 and 11-4. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Bureau/Henry/Stark Counties Regional Office of Education #28 responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Bureau/Henry/Stark Counties Regional Office of Education #28's responses and, accordingly, we express no opinion on the responses.

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

*Wipfli LLP*

Dixon, Illinois  
August 10, 2012

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 Year Ended June 30, 2011

Section I -- Summary of Auditor's Results

**Financial Statements**

Type of auditors' report issued:

Unqualified  
 (unqualified, qualified, adverse, disclaimer)

Internal control over financial reporting:

- Material weakness(es) identified?                      X   yes                           no
- Significant deficiency(ies) identified?              X   yes                           none reported

Noncompliance material to financial statements noted?

  X   yes                           no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?                           yes                      X   no
- Significant deficiency(ies) identified?              X   yes                           none reported

Type of auditors' report issued on compliance for major programs:

Unqualified  
 (unqualified, qualified, adverse, disclaimer)

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?

  X   yes                           no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.389	ARRA - Title I - School Improvement
84.287	Twenty-First Century Community Learning Centers

Dollar threshold used to distinguish between Type A and Type B programs:

          \$          300,000          

Auditee qualified as low-risk auditee

       yes                      X   no

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
YEAR ENDED JUNE 30, 2011**

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**FINDING NO. 11-1 – Controls Over Financial Statement Preparation (Repeat from 10-1, 09-1, 08-1 and 07-1)**

**Criteria/Specific Requirement:**

The Bureau/Henry/Stark Counties Regional Office of Education #28 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 financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

**Condition:**

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

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable and deferred revenue.
- Several adjustments were required to present financial statements in accordance with generally accepted accounting principles.

**Effect:**

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

**Cause:**

According to Regional Office officials, they did not have adequate funding to hire and/or train their accounting personnel in order to comply with these requirements.

**Recommendation:**

As part of its internal control over the preparation of financial statements, including disclosures, the Regional Office of Education #28 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including note disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.



**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
YEAR ENDED JUNE 30, 2011**

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**FINDING NO. 11-1 – Controls Over Financial Statement Preparation (Repeat from 10-1, 09-1, 08-1 and 07-1) (Continued)**

**Management's Response:**

Regional Office of Education #28 understands the nature of this finding and realizes that this circumstance is not unusual in an organization this size. Regional Office of Education #28 accepts the degree of risk associated with this condition because the added expense of seeking additional expertise to prepare and/or review financial statements would take away from the funds available to provide educational services to students and teachers. The cost of hiring and training additional staff or contracting services outweighs the benefit. If additional resources are made available through the State of Illinois, the Regional Office will consider seeking the services of an accountant to review the financial statements and related disclosures for completeness and accuracy.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II – FINANCIAL STATEMENT FINDINGS  
YEAR ENDED JUNE 30, 2011**

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**FINDING NO. 11-2 – Segregation of Cash and Fund Balances**

**Criteria/Specific Requirement:**

Generally accepted accounting principles, good fiscal management, and some grant agreements require cash and fund balances to be segregated and reported by fund and individual grant program.

**Condition:**

The Regional Office of Education #28 maintains its cash in comingled bank accounts and does not segregate individual fund and grant program cash and fund balances in their accounting system.

**Effect:**

The Regional Office is unable to determine cash and fund balances by fund and grant program.

**Cause:**

The Regional Office was unaware of the requirement.

**Recommendation:**

The Regional Office should begin tracking cash and fund balances in their accounting system segregated by fund and grant program.

**Management's Response:**

Regional Office of Education #28 is able to determine cash and fund balances by fund and grant program. Subsequent reports will reflect this information.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
YEAR ENDED JUNE 30, 2011**

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**FINDING NO. 11-3 - Inaccurate Budgets and Expenditure Reports (Repeat from Finding 10-2 and 09-2)**

**Federal Program Name & Year** - Title IV - 21<sup>st</sup> Century Community Learning Centers

**Project Number** - 11-4421-07, 10-4421-08, 11-4421-08, 11-4421-10

**CFDA Number** - 84.287

**Passed Through** - Illinois State Board of Education

**Federal Agency** - U.S. Department of Education

**Criteria/Specific Requirement:**

The Regional Office of Education #28 is required by the Illinois State Board of Education (ISBE) to prepare grant budgets and report grant expenditures in accordance with *State and Federal Grant Administration Policy and Fiscal Requirements and Procedures* and the *Illinois Program Accounting Manual*.

According to these manuals, the breakdown in the grant budgets should be an itemization and description of the requested grant costs provided in enough detail to identify what costs are to be charged to the grants. In addition, regulations state that any amount reported in an expenditure report that is not for a budgeted item or not within the acceptable variance approved by the program, cannot be accepted.

Grant expenditure reports should reflect program costs in the appropriate function and object codes regardless of where the costs were budgeted.

**Condition:**

The Regional Office of Education #28 did not properly prepare grant budgets and therefore, did not report grant expenditures in accordance with ISBE *State and Federal Grant Administration Policy and Fiscal Requirements and Procedures* or the *Illinois Program Accounting Manual* for the Title IV -21<sup>st</sup> Century Community Learning Centers. The Regional Office budgeted the majority of its funds to the Payments to Other Governments function and the Purchased Services object code. The budget narrative indicated these funds were to be transferred to various school districts for salaries and benefits of its program staff and to pay transportation costs associated with the programs.

A review of the supporting documentation showed that the Regional Office spent Title IV – 21<sup>st</sup> Century Community Learning Centers Program funds for allowable grant related program costs. These program costs were reported as payments to other governmental units under Payment to Other Districts and Governmental Units (function 4000). Generally, non-program payments that are flow-through funds are reported in this function area and to different object codes. The Regional Office charged object code 300 for purchased services when object code 600 for transfers should have been utilized.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
YEAR ENDED JUNE 30, 2011**

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**FINDING NO. 11-3 - Inaccurate Budgets and Expenditure Reports (Repeat from Finding 10-2 and 09-2) (continued)**

**Questioned Costs:**

Although the ROE is not properly budgeting and reporting its expenditures, the expenditures claimed appear to be allowable grant costs under the grant terms of the Title IV- 21st Century Community Learning Centers Program, without material exception. Therefore, there are no current year questioned costs.

**Context:**

N/A

**Effect:**

The budgets prepared by the Regional Office and approved by ISBE and the expenditure reports submitted to ISBE did not accurately reflect the activity of the period. The Regional Office also was not in compliance with the requirements of the *State and Federal Grant Administration Policy and Fiscal Requirements and Procedures* or the *Illinois Program Accounting Manual*.

**Cause:**

The Regional Office has been budgeting, classifying, and reporting expenditures in this manner for the past seven years. Given that ISBE had not questioned their expenditure reports, the Regional Office was not complying with the State Board requirements.

**Recommendation:**

The Regional Office of Education #28 should begin budgeting and reporting expenditures of the Title IV – 21<sup>st</sup> Century Community Learning Center program in accordance with the *State and Federal Grant Administration Policy and Fiscal Requirements and Procedures* and the *Illinois Program Accounting Manual*. In addition, the Regional Office should contact ISBE and amend the grant budgets for its programs.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
YEAR ENDED JUNE 30, 2011**

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**FINDING NO. 11-3 - Inaccurate Budgets and Expenditure Reports (Repeat from Finding 10-2 and 09-2) (concluded)**

**Management Response:**

Regional Office of Education #28 utilized account 4000-300. That was the only function-object code open when the budget was created. Regional Office of Education #28 will file a budget amendment for FY12 when 4000-600 becomes an available function-object code on the required ISBE budget form.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
YEAR ENDED JUNE 30, 2011**

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**FINDING NO. 11-4 - Cost Allocation Plan (Repeat from Finding 10-3)**

**Federal Program Name & Year** - Title IV - 21<sup>st</sup> Century Community Learning Centers

**Project Number** - 11-4421-07, 10-4421-08, 11-4421-08, 11-4421-10

**CFDA Number** - 84.287

**Passed Through** - Illinois State Board of Education

**Federal Agency** - U.S. Department of Education

**Criteria/Specific Requirement:**

Grants, cost reimbursement contracts and other agreements with the Federal Government (collectively known as Federal Awards) should bear their fair share of costs recognized under principles established by the federal Office of Management and Budget (OMB). Costs are allocable to Federal Awards if the goods or services involved are chargeable or assignable to the award in accordance with the relative benefits received. Where an accumulation of indirect costs will ultimately result in charges to a Federal Award, a cost allocation plan is required as described in Attachments C, D and E of OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*.

Grants administered by the Illinois State Board of Education (ISBE) require the charging of direct and indirect costs to be applied to grants in accordance with the *State and Federal Grant Administration Policy and Fiscal Requirements and Procedures* and the *Illinois Program Accounting Manual*. These procedures are in accordance with ISBE's delegated authority and the appropriate federal Office of Management and Budget.

An indirect cost rate (ICR) or a cost allocation plan (CAP) must be used when charging certain direct and indirect costs to grants.

**Condition:**

The Regional Office did not elect to utilize the indirect cost rate (ICR) in its application and does not have an adequate written plan for allocating shared costs to its grant programs.

The ROE uses a spreadsheet to allocate salary costs to various grants. Based on prior discussions with the Assistant Superintendent, the allocations are based on prior time studies, but there is not an adequate written plan to support the allocations. Furthermore, the indirect costs relating to utilities, rent, and office personnel are charged to the grant based on a spreadsheet, but there is also not an adequate written plan to support the allocations.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
YEAR ENDED JUNE 30, 2011**

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**FINDING NO. 11-4 - Cost Allocation Plan (Repeat from Finding 10-3) (Continued)**

**Questioned Costs:**

The amount of questioned costs cannot be determined without preparing an adequate cost allocation plan.

**Context:**

The Regional Office of Education allocated direct and indirect costs to the Title IV - 21st Century Community Learning Centers program. While these costs appear to be allowable costs, without adequate documentation of the basis for, and rationale behind, the allocation, the amount over- or under-charged to the program cannot be readily determined.

**Effect:**

The Regional Office is not able to determine if the amount of central service activities charged to its Federal award represent the grant's "fair share" of costs recognized under principles required by OMB Circular A-87.

The Regional Office is not in compliance with the *State and Federal Grant Administration Policy and Fiscal Requirements and Procedures* and the *Illinois Program Accounting Manual*. These procedures are in accordance with ISBE's delegated authority and the appropriate federal Office of Management and Budget.

**Cause:**

The Regional Office did not request the use of an indirect cost rate in its grant application and does not have an adequate written, approved cost allocation plan in accordance with the Office of Management & Budget (OMB).

**Recommendation:**

The Regional Office of Education #28 should prepare an adequate written plan for allocating shared costs and retain the required documentation to support the distribution of costs to its grant programs.

**Management Response:**

Regional Office of Education #28 will utilize an indirect cost rate.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II – FINANCIAL STATEMENT FINDINGS  
YEAR ENDED JUNE 30, 2011**

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**FINDING NO. 11-5 – Reimbursement of Program Expenses (Repeat from Finding 10-4)**

**Criteria/Specific Requirement:**

Generally accepted accounting principles do not allow grant expenses to be submitted for reimbursement to two different grants.

**Condition:**

The Regional Office of Education #28 requested expense reimbursements from the Social Emotional Learning grant that were already reimbursed or claimed as expenses in other grants.

**Cause:**

The Regional Office of Education #28 claimed grant reimbursements from its pass-through grantor and also charged the same expenses to another grant in its accounting records.

**Effect:**

The Regional Office charged the same grant expenditures to two different grants. The Regional Office submitted program invoices to its pass-through granting agency for reimbursement but had already charged those same expenditures to other grants in its accounting records.

**Recommendation:**

The Regional Office of Education #28 should implement internal control procedures to ensure that grant expenditures are only charged once to the appropriate grant program. The Regional Office should also amend/correct its reimbursement reports with this grantor.

**Management's Response:**

Regional Office of Education #28 has developed a plan to spend the balance of Social Emotional Learning funds within FY13.



**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION III – FEDERAL AWARD FINDINGS  
Year Ended June 30, 2011**

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**INSTANCES OF NONCOMPLIANCE:**

11-3 – Inaccurate Budgets and Expenditure Reports (Finding details on pages 12c, 12d and 12e)

11-4 – Cost Allocation Plan (Finding details on pages 12f and 12g)

**SIGNIFICANT DEFICIENCIES**

11-3 – Inaccurate Budgets and Expenditure Reports (Finding details on pages 12c, 12d and 12e)

11-4 – Cost Allocation Plan (Finding details on pages 12f and 12g)

**MATERIAL WEAKNESSES**

None

**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #28**  
**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS**  
June 30, 2011

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**Corrective Action Plan**

**Finding No: 11-1 Controls Over Financial Statement Preparation (Repeat from 10-1, 09-1, 08-1 and 07-1)**

**Condition:**

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

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable and deferred revenue.
- Several adjustments were required to present financial statements in accordance with generally accepted accounting principles.

**Plan:**

Regional Office of Education #28 understands the nature of this finding and realizes that this circumstance is not unusual in an organization this size. Regional Office of Education #28 accepts the degree of risk associated with this condition because the added expense of seeking additional expertise to prepare and/or review financial statements would take away from the funds available to provide educational services to students and teachers. The cost of hiring and training additional staff or contracting services outweighs the benefit. If additional resources are made available through the State of Illinois, the Regional Office will consider seeking the services of an accountant to review the financial statements and related disclosures for completeness and accuracy.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
(Continued)  
June 30, 2011**

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**Corrective Action Plan (Continued)**

**Anticipated Completion Date:**

June 30, 2013

**Name of Contact Person:**

Ms. Angela Zarvell, Regional Superintendent

**Finding No: 11-2 Segregation of Cash and Fund Balances**

**Condition:**

The Regional Office of Education #28 maintains its cash in comingled bank accounts and does not segregate individual fund and grant program cash and fund balances in their accounting system.

**Plan:**

Regional Office of Education #28 is able to determine cash and fund balances by fund and grant program. Subsequent reports will reflect this information.

**Anticipated Date of Completion:**

June 30, 2013

**Name of Contact Person:**

Angie Zarvell, Regional Superintendent

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
(Continued)  
June 30, 2011**

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**Corrective Action Plan**

**Finding No: 11-3 Inaccurate Budgets and Expenditure Reports (Repeat from Finding 10-2 and 09-2)**

**Condition:**

The Regional Office of Education #28 did not properly prepare grant budgets and therefore, did not report grant expenditures in accordance with ISBE *State and Federal Grant Administration Policy and Fiscal Requirements and Procedures* or the *Illinois Program Accounting Manual* for the Title IV -21<sup>st</sup> Century Community Learning Centers. The Regional Office budgeted the majority of its funds to the Payments to Other Governments function and the Purchased Services object code. The budget narrative indicated these funds were to be transferred to various school districts for salaries and benefits of its program staff and to pay transportation costs associated with the programs.

A review of the supporting documentation showed that the Regional Office spent Title IV – 21<sup>st</sup> Century Community Learning Centers Program funds for allowable grant related program costs. These program costs were reported as payments to other governmental units under Payment to Other Districts and Governmental Units (function 4000). Generally, non-program payments that are flow-through funds are reported in this function area and to different object codes. The Regional Office charged object code 300 for purchased services when object code 600 for transfers should have been utilized.

**Plan:**

Regional Office of Education #28 utilized account 4000-300. That was the only function-object code open when the budget was created. Regional Office of Education #28 will file a budget amendment for FY12 when 4000-600 becomes an available function-object code on the required ISBE budget form.

**Anticipated Date of Completion:**

June 30, 2013

**Name of Contact Person:**

Angie Zarvell, Regional Superintendent

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
(Continued)  
June 30, 2011**

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**Corrective Action Plan**

**Finding No: 11-4 Cost Allocation Plan (Repeat from Finding 10-3)**

**Condition:**

The Regional Office did not elect to utilize the indirect cost rate (ICR) in its application and does not have an adequate written plan for allocating shared costs to its grant programs.

The ROE uses a spreadsheet to allocate salary costs to various grants. Based on prior discussions with the Assistant Superintendent, the allocations are based on prior time studies, but there is not an adequate written plan to support the allocations. Furthermore, the indirect costs relating to utilities, rent, and office personnel are charged to the grant based on a spreadsheet, but there is also not an adequate written plan to support the allocations.

**Plan:**

Regional Office of Education #28 will utilize an indirect cost rate.

**Anticipated Date of Completion:**

June 30, 2013

**Name of Contact Person:**

Angie Zarvell, Regional Superintendent

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
(Continued)  
June 30, 2011**

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**Corrective Action Plan**

**Finding No: 11-5 Reimbursement of Program Expenses (Repeat from Finding 10-4)**

**Condition:**

The Regional Office of Education #28 requested expense reimbursements from the Social Emotional Learning grant that were already reimbursed or claimed as expenses in other grants.

**Plan:**

Regional Office of Education #28 has developed a plan to spend the balance of Social Emotional Learning funds within FY13.

**Anticipated Date of Completion:**

June 30, 2013

**Name of Contact Person:**

Angie Zarvell, Regional Superintendent

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28  
SUMMARY SCHEDULE OF PRIOR YEAR'S FINDINGS  
Year Ended June 30, 2011**

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<b>Finding Number</b>	<b>Condition</b>	<b>Current Status</b>
10-1	Controls over financial statement preparation	Repeat 11-1
10-2	Inaccurate budgets and expenditure reports	Repeat 11-3
10-3	Indirect cost allocation plan	Repeat 11-4
10-4	Allowable Costs	Repeat 11-5

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #28**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended June 30, 2011

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The Regional Office of Education #28 for the Counties of Bureau, Henry and Stark provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2011. Readers are encouraged to consider this information in conjunction with the Regional Office's financial statements which follow:

During fiscal year 2011 the Regional Office of Education #28 implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which required certain programs and funds to be reclassified and the restatement of beginning fund balances as detailed in Note 14 to the financial statements. Because of these reclassifications the fund analysis is not comparable between fiscal year 2010 and fiscal year 2011.

**2011 Financial Highlights**

- Within the Governmental Funds;
  - The General Fund revenue increased by \$431,898 from \$324,900 in fiscal year 2010 to \$756,798 in fiscal year 2011.
  - The General Fund expenditures increased by \$251,601 from \$348,687 in fiscal year 2010 to \$600,288 in fiscal year 2011.
  
- Within the Governmental Funds;
  - The Special Revenue Funds revenue decreased by \$77,415 from \$1,865,244 in fiscal year 2010 to \$1,787,829 in fiscal year 2011.
  - The Special Revenue Funds expenditures decreased by \$128,927 from \$1,888,726 in fiscal year 2010 to \$1,759,799 in fiscal year 2011.
  
- Within the Governmental Funds;
  - The General Fund balance increased by \$197,217 from \$918,231, as restated, in fiscal year 2010 to \$1,115,448 in fiscal year 2011.
  - The Special Revenue Funds fund balance decreased by \$12,677 from \$79,687, as restated, in fiscal year 2010 to \$67,010 in fiscal year 2011.

**Using This Report**

This 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.
- 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 non-major funds

**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #28**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended June 30, 2011

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**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 #28 as a whole. The Statement of Net Assets includes all of the 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, using accounting methods similar to those used by private-sector companies.

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 and 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.

The Government-wide financial statements present all of the Office's activities as governmental activities. Local, state and federal aid finances most of these activities.

The fund financial statements provide detailed information about the Regional Office's funds, focusing on its most significant or "major" funds. Funds are accounting devices which 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 #28 established other funds to control and manage money for particular purposes.

The Office has two 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 funds 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. The Office's Governmental Funds include: The General Fund and the Special Revenue Funds.

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

- 2) Fiduciary funds are used to account for assets held by the Regional Office of Education #28 in a trust capacity or as an agent for individual 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.

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended June 30, 2011

**CONDENSED STATEMENT OF NET ASSETS**  
**GOVERNMENTAL ACTIVITIES**

	Year Ended 2011	Year Ended 2010
Current Assets	\$ 1,831,804	\$ 1,885,180
Capital Assets, Net	126,671	76,900
<b>Total Assets</b>	<b>1,958,475</b>	<b>1,962,080</b>
Current Liabilities	601,689	745,731
<b>Total Liabilities</b>	<b>601,689</b>	<b>745,731</b>
<b>Net Assets</b>		
Invested in Capital Assets net of related debt	126,671	76,900
Unrestricted	1,115,448	1,114,811
Restricted for educational purposes	114,667	24,638
<b>Total Net Assets</b>	<b>\$ 1,356,786</b>	<b>\$ 1,216,349</b>

The Regional Office of Education's net assets increased by \$61,467 in fiscal year 2010 and \$140,437 in fiscal year 2011. Net assets increased to \$1,356,786 in fiscal year 2011. The following analysis shows the changes in net assets for the years ending June 30, 2010 and June 30, 2011:

**CHANGES IN NET ASSETS**  
**Governmental Activities**

Revenues:		
Program Revenues:		
Operating grants and contributions	\$ 1,766,362	\$ 1,739,332
Capital grants and contributions	-0-	-0-
	<u>1,766,362</u>	<u>1,739,332</u>
General Revenues		
Local sources	313,166	231,309
State sources	97,463	75,675
Investment income	12,087	17,482
On-behalf payments - State/Local	261,675	267,877
Total Revenues	<u>2,450,753</u>	<u>2,331,675</u>
Expenses:		
Program Expenses:		
Salaries	452,866	501,524
Employee benefits	132,392	149,338
Purchased services	351,979	331,291
Supplies and Materials	192,895	266,913
Payments to other governments	896,879	716,356
Depreciation expense	21,630	22,584
Loss on disposal of fixed assets	-0-	14,325
Administrative Expenses:		
On-behalf payments-State/Local	261,675	267,877
Total Expenses	<u>2,310,316</u>	<u>2,270,208</u>
Increase (Decrease) in Net Assets	140,437	61,467
Net Assets beginning of year	1,216,349	1,154,882
Net Assets end of year	<u>\$ 1,356,786</u>	<u>\$ 1,216,349</u>

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28  
MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended June 30, 2011

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**Office-Wide Financial Analysis**

As noted earlier, net assets may serve when examined over time as one indicator of the financial position of the Regional Office. The Total Net Assets can be summarized as follows: FY 10 - \$1,216,349; FY 11 - \$1,356,786. The increase was due to the increase in grant funding. The analysis that provides a comparison of the Office's net assets for the governmental funds is on page 18.

**Financial Analysis of the Regional Office of Education #28 Funds**

Revenues for governmental funds were \$2,544,627 and \$2,190,144 for fiscal years 2011 and 2010, respectively. Expenditures were \$2,360,087 and \$2,237,413 for fiscal years 2011 and 2010, respectively. As previously noted, the Regional Office of Education #28 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Office's Governmental Funds reported combined fund balances of \$1,182,458 and \$997,918 for fiscal years 2011 and 2010.

The fiscal year 2011 increase in revenues was due primarily to increased State sources due to delayed payments from the State of Illinois and an increase in local source revenue. Expenditures have increased from the prior year primarily due to the purchase of math and science supplies.

**Budgetary Highlights**

The Regional Office of Education #28 annually adopts budgets for several funds. All grants' budgets are prepared by the Regional Office of Education #28 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**

Capital Assets of the Regional Office of Education #28 include office equipment, computers, audio-visual equipment and office furniture. The Regional Office of Education #28 maintains an inventory of capital assets. In addition, the Regional Office of Education #28 has adopted a depreciation schedule which reflects the level of Net Governmental Activities Capital Assets of \$126,671 for fiscal year 2011. More detailed information about capital assets is available in Notes to the Financial Statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

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

- The interest rate on investments remains low and will continue to negatively impact interest earned.
- Several grants have remained near or at previous funding levels. In addition, the School Services funding levels have been reduced.
- The number of students served by the Regional Office of Education #28 is expected to remain approximately the same.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28  
MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended June 30, 2011

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**Contacting the Regional Office's Financial Management**

The 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 information, please contact the Regional Superintendent of the Regional Office of Education #28 at 107 South State Street, Atkinson, IL 61235.

**BASIC FINANCIAL STATEMENTS**

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**STATEMENT OF NET ASSETS**  
 June 30, 2011

<u><b>ASSETS</b></u>	<u><b>Primary Government Governmental Activities</b></u>
Current Assets:	
Cash and cash equivalents	\$ 1,451,954
Due from other governments:	
State	325,207
Federal	54,643
	1,831,804
Total Current Assets	
	1,831,804
Noncurrent Assets:	
Capital assets, being depreciated, net	126,671
	126,671
Total Assets	
	\$ 1,958,475
<u><b>LIABILITIES</b></u>	
Current Liabilities:	
Cash overdraft	\$ 198,444
Accounts payable	216,007
Due to other governments:	
Local	101,585
Deferred revenue	85,653
	601,689
Total Current Liabilities	
	601,689
<u><b>NET ASSETS</b></u>	
Investment in capital assets, net of related debt	126,671
Unrestricted	1,115,448
Restricted for educational purposes	114,667
	1,356,786
Total Net Assets	
	\$ 1,356,786

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

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**

**STATEMENT OF ACTIVITIES**

Year Ended June 30, 2011

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>	
		<u>Operating</u>	<u>Capital</u>	<u>Primary Government</u>	
		<u>Grants and Contributions</u>	<u>Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
Primary government:					
Governmental activities:					
Instructional services:					
Salaries	\$ 452,866	\$ 452,866	\$ -0-	\$ -0-	\$ -0-
Employee benefits	132,392	132,392	-0-	-0-	-0-
Purchased services	351,979	263,829	-0-	(88,150)	(88,150)
Supplies and materials	192,895	174,537	-0-	(18,358)	(18,358)
Capital outlay	-0-	55,935	-0-	55,935	55,935
Other objects	-0-	-0-	-0-	-0-	-0-
Payments to other governmental units	896,879	686,803	-0-	(210,076)	(210,076)
Depreciation expense	21,630	-0-	-0-	(21,630)	(21,630)
Administrative:					
On-behalf payments	261,675	-0-	-0-	(261,675)	(261,675)
 Total primary government	 <u>\$ 2,310,316</u>	 <u>\$ 1,766,362</u>	 <u>\$ -0-</u>	 <u>(543,954)</u>	 <u>(543,954)</u>
 General Revenues:					
Local sources				313,166	313,166
State sources				97,463	97,463
Interest income				12,087	12,087
On-behalf payments				261,675	261,675
Total general revenues				<u>684,391</u>	<u>684,391</u>
 CHANGE IN NET ASSETS				140,437	140,437
NET ASSETS, BEGINNING OF YEAR				1,216,349	1,216,349
NET ASSETS, END OF YEAR				<u>\$ 1,356,786</u>	<u>\$ 1,356,786</u>

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



**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**

June 30, 2011

<u>ASSETS</u>	<u>General</u> <u>Fund</u>	<u>Education</u> <u>Fund</u>	<u>Nonmajor</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Cash and cash equivalents	\$ 1,143,323	\$259,437	\$ 49,194	\$ 1,451,954
Due from other governmental units	52,522	327,328	-0-	379,850
 Total Assets	 <u>\$ 1,195,845</u>	 <u>\$586,765</u>	 <u>\$ 49,194</u>	 <u>\$ 1,831,804</u>
 <u>LIABILITIES</u>				
Cash overdraft	\$ -0-	\$198,444	\$ -0-	\$ 198,444
Accounts payable	72,969	143,038	-0-	216,007
Due to other governmental units	-0-	101,585	-0-	101,585
Deferred revenue	7,428	125,882	-0-	133,310
 Total Liabilities	 <u>80,397</u>	 <u>568,949</u>	 <u>-0-</u>	 <u>649,346</u>
 <u>FUND BALANCES</u>				
Restricted	-0-	32,113	49,194	81,307
Assigned	283,710	-0-	-0-	283,710
Unassigned	831,738	(14,297)	-0-	817,441
 Total Fund Balances	 <u>1,115,448</u>	 <u>17,816</u>	 <u>49,194</u>	 <u>1,182,458</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,195,845</u>	 <u>\$586,765</u>	 <u>\$ 49,194</u>	 <u>\$ 1,831,804</u>

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

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO**  
**THE STATEMENT OF NET ASSETS**  
 June 30, 2011

Total fund balances-governmental funds	\$	1,182,458
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore are not reported in the government funds.		126,671
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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.		47,657
		<hr style="border: 0.5px solid black;"/>

Net assets of governmental activities	\$	<u>1,356,786</u>
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The accompanying notes are an integral part of the financial statements.

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Year Ended June 30, 2011

	<u>General Fund</u>	<u>Education Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>				
Local sources	\$ 155,309	\$ 141,762	\$ 28,182	\$ 325,253
State sources	290,407	662,151	955	953,513
Federal sources	49,407	954,779	-0-	1,004,186
On-behalf payments	<u>261,675</u>	<u>-0-</u>	<u>-0-</u>	<u>261,675</u>
Total Revenues	<u>756,798</u>	<u>1,758,692</u>	<u>29,137</u>	<u>2,544,627</u>
 <b>EXPENDITURES:</b>				
Instructional Services:				
Salaries	-0-	452,866	-0-	452,866
Employee benefits	-0-	132,392	-0-	132,392
Purchased services	79,963	254,073	17,943	351,979
Supplies and materials	17,481	174,584	830	192,895
Payments to other governmental units	225,703	671,176	-0-	896,879
On-behalf payments	261,675	-0-	-0-	261,675
Capital outlay	<u>15,466</u>	<u>55,935</u>	<u>-0-</u>	<u>71,401</u>
Total Expenditures	<u>600,288</u>	<u>1,741,026</u>	<u>18,773</u>	<u>2,360,087</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	156,510	17,666	10,364	184,540
 <b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from other funds	40,707	-0-	-0-	40,707
Transfers to other funds	<u>-0-</u>	<u>(40,707)</u>	<u>-0-</u>	<u>(40,707)</u>
Total Other Financing Sources (Uses)	<u>40,707</u>	<u>(40,707)</u>	<u>-0-</u>	<u>-0-</u>
NET CHANGE IN FUND BALANCE	197,217	(23,041)	10,364	184,540
FUND BALANCES, BEGINNING OF YEAR RESTATE - SEE NOTE 14	<u>918,231</u>	<u>40,857</u>	<u>38,830</u>	<u>997,918</u>
FUND BALANCES, END OF YEAR	<u>\$1,115,448</u>	<u>\$ 17,816</u>	<u>\$ 49,194</u>	<u>\$ 1,182,458</u>

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

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS**  
 Year Ended June 30, 2011

Net change in fund balances	\$	184,540
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		71,401
Depreciation expense		(21,630)
Revenues in the Statement of Activities in the prior year that did not provide current financial resources were not reported as revenues in the funds		(141,531)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		<u>47,657</u>
Change in net assets of governmental activities	\$	<u><u>140,437</u></u>

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

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
 June 30, 2011

	<b>Agency Funds</b>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 43,005
	<hr/>
TOTAL ASSETS	\$ 43,005
	<hr/> <hr/>
<b><u>LIABILITIES</u></b>	
Due to other governments	\$ 43,005
	<hr/>
TOTAL LIABILITIES	\$ 43,005
	<hr/> <hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #28**  
**Notes to the Financial Statements**  
June 30, 2011

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Regional Office of Education's (ROE) accounting policies conform to generally accepted accounting principles which are appropriate for local governmental units of this type.

A. Principles Used to Determine the Scope of the Reporting Entity

The Bureau/Henry/Stark Counties Regional Office of Education #28 was formed as a result of an Educational Service Region becoming a Regional Office of Education on August 7, 1995. The ROE operates under The School Code (105 ILCS 5/3 and 5/3A). Regional Office of Education #28 encompasses Bureau, Henry, and Stark Counties in Illinois. A Regional Superintendent of Schools serves as chief administrative officer of the ROE and is elected pursuant to 105 ILCS 5/3 and 5/3A of The School Code. The principal duties of the Regional Superintendent are to receive and distribute monies due to school districts from State and federal sources, as well as various other sources, to act as a support provider for the school districts' educational efforts, and 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 ROE's reporting entity includes all related organizations for which it exercises oversight responsibility in accordance with Statement No. 14 of the Governmental Accounting Standards Board.

The ROE has developed criteria to determine whether outside agencies with activities which benefit the citizens of the ROE's geographic responsibility, including joint agreements which serve pupils from numerous school districts, should be included within its financial entity. The criteria include but are not limited to, whether the ROE 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.

B. Basis of Presentation and Basis of Accounting

The financial activities of the Regional Office of Education #28 consist only of governmental activities. For its reporting purposes, the ROE has separate fund and government-wide financial statements and reconciles individual line items of fund financial data to government-wide data. A brief description of the ROE's government-wide and fund financial statements is as follows:

**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #28**  
**Notes to the Financial Statements**  
June 30, 2011

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. Basis of Presentation and Basis of Accounting (Continued)

**Government-wide Statements:** The Government-Wide Statement of Net Assets and Statement of Activities report the overall financial activity of the ROE. The financial activities of the ROE consist only of governmental activities, which are primarily supported by State, local and federal revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational requirements of a particular function. Other items not properly included among program revenues are presented as general revenues. All interfund transactions between governmental funds are eliminated on the government-wide financial statements.

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

Bureau/Henry/Stark Counties Regional Office of Education #28 report the following major governmental funds:

General Funds – General Funds are the general operating funds of the ROE. These funds account for all financial resources except those required to be accounted for in another fund. The general fund accounts for the ROE's on-behalf payments from the State of Illinois and the counties to pay the salary and benefits of the Regional Superintendent, Assistant Regional Superintendent and clerical staff. The ROE maintains fifteen separate funds to account for these resources. A description of the ROE's general funds are as follows:

Local Fund – To account for transition monies provided by the closing of the Educational Service Region.

Interest Office Expense Fund – To account for the interest income retained by the ROE from the Distributive Fund.

Administrators Academy – To support professional development of administrators.

Paraprofessional – To provide training for teacher aides.



**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #28**  
**Notes to the Financial Statements**  
June 30, 2011

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation and Basis of Accounting (Continued)**

Regional Safe Schools – To serve eligible students who are under suspension, expulsion, or expelled and readmitted for administrative transfer to an alternative setting. The education objectives are to improve behavior, attendance, and to receive academic credit leading to graduation or return to their home school.

Standards Aligned Classroom – To support teacher teams working on alignment of a curriculum with standards.

Homeless Grant Enterprise – To ensure that homeless students receive the services they need to attend school on a regular basis despite being homeless.

Language Arts – Funds to pay for Language Arts workshops.

Math – Development money for a summer program for math teachers.

Lab Tech – To help the Regional Office of Education in staying abreast of changing technology for the office.

Fine Arts – To provide instruction on cultural issues.

School Improvement – To provide state mandated services.

Reading First Enterprise – This program delivers professional development opportunities for K-3 teachers, K-12 special education teachers and administrators that address the essential components of reading instruction, scientifically-based instructional programs and materials, instructional strategies, and assessment.

District Services – To account for receipts from school districts for establishing and performing educational enhancing activities.

Science – to provide support for science teachers.

Education Fund – This 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 which include:

General Operations Fund – To account for monies from the State of Illinois for expenditures incurred providing program services to the various districts.

Bureau County Step Ahead – To assist at-risk, non-traditional youth no longer attending school with additional education, training, and employment opportunities. This will be accomplished by providing a comprehensive program including both occupational and academic components.

**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #28**  
**Notes to the Financial Statements**  
June 30, 2011

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation and Basis of Accounting (Continued)**

Education Fund – (Continued)

Henry County Step Ahead – To promote academic achievement, employability, leadership development skills, and occupational skills training for low income Henry County Youth aged 16-21 by helping youth obtain their GED through academic and work-based training and encouraging youth to become productive, contributing members of the community by acquiring the skills necessary to obtain unsubsidized employment and self-sufficiency.

Gifted Education – To teach educators how to identify gifted and talented students in their own classrooms. The seminar will train educators to recognize the diverse needs of gifted children from a variety of backgrounds and will enable educators to design stimulating, differentiated curricula to meet the needs of the gifted student.

Truants Alternative Optional Education Program – Initiative focusing on truancy prevention, intervention, and remediation services. The program also provides access to vital resources in order to link students with unmet needs to the community services designed to meet those needs.

Salary – To account for grant money due to the counties for services provided.

McKinney Education for Homeless Children – The Homeless Youth Connection (HYC) provides services for the educational needs of 450 homeless PK-12 students in Rock Island, Bureau, Henry and Stark counties. The goal of the program is to ensure that homeless students receive the services they need to attend school on a regular basis despite being homeless.

Title IV 21<sup>st</sup> Century Community Learning Centers (Projects 07, 08 and 10) – Provide academic enrichment opportunities during the extended school day and extended school year. Through academic enrichment, students will receive support in developing and mastering their reading, writing, and math skills via additional learning opportunities, tutoring, and homework support.

Title I – Reading First Part B SEA Funds (Project 00) – Funding to support all Bureau/Henry/Stark districts and grades in reading initiatives and in public workshops.

Early Childhood Block Grant Prekindergarten and Parental Training – To ensure that children start school ready to learn.

Early Childhood Block Grant Prevention Initiative and Parental Training – To nurture infant/child and family development.

**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #28**  
**Notes to the Financial Statements**  
June 30, 2011

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. Basis of Presentation and Basis of Accounting (Continued)

Education Fund – (Continued)

Rural Education Achievement Program – To provide support to students in developing their reading, math and writing skills.

Math and Science Partnership – A collaborative effort between the ROE, Western Illinois University, and local high-needs LEAs to provide research-based professional development to educators in the areas of math and science while integrating 21st Century Learning Skills and technology resources.

ARRA-Title I – School Improvement – To account for monies received from the State (federal dollars) to implement programs in schools that have high concentrations of students from families in poverty in order to improve teaching and learning for students most at risk of failing to meet state academic achievement standards.

American Recovery and Reinvestment Act – To account for the federal money distributed under the federal stimulus package.

Social Emotional Learning – To train pre-K staff on the pre-K social emotional learning standards established by the State of Illinois.

Teacher Mentoring and Mentoring Pilot Program – to train experienced teachers to be mentors to new teachers.

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

Institute Fund – This fund accounts for the ROE's stewardship of the assets held in trust for the benefit of the ROE's teachers. Fees are collected from registration of teachers' certificates of qualification. Monies are expended to conduct teachers' institutes, conferences and workshops.

General Educational Development Fund – to account for the ROE's administration of the GED Testing Program. Revenues are received from testing and diploma fees.

**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #28**  
**Notes to the Financial Statements**  
June 30, 2011

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation and Basis of Accounting (Continued)**

**Nonmajor Funds – (Continued)**

Bus Driver Fund – to account for the ROE's stewardship of the assets held in trust in connection with the Bus Driver Training Program.

Hearing Fund – to account for fees collected for expenditures incurred in publishing and filing petition requests.

Supervisory Fund – to account for monies from the State of Illinois for expenditures incurred providing supervisory services in the Counties.

All governmental funds are special revenue funds except for the General Fund. Special revenue funds are used to account for revenues from specific sources that are legally restricted to disbursements for specified purposes.

Fiduciary Fund Types – Agency Funds are used to account for assets held by the ROE in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The school districts within the ROE's geographic responsibility have signed formal agreements which allow the ROE to retain any interest earned during the year. A description of the ROE's fiduciary funds is as follows:

Distributive Fund – to account for the pass-through of State aid monies from the Regional Office of Education to the various school districts within the Region. At any given point in time, total fund assets are equally offset by related liabilities including amounts due to the parties for whom the assets are being held. Agency funds have no fund equity and do not involve measurement of revenues, expenditures, or expenses.

Distributive Interest Fund – to account for the pass-through of interest earned on the distributive fund checking account.

**Measurement Focus and Basis of Accounting**

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

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28**

**Notes to the Financial Statements**

June 30, 2011

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus and Basis of Accounting (Continued)**

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

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Bureau/Henry/Stark Counties Regional Office of Education #28.

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

Under the terms of grant agreements, Bureau/Henry/Stark Counties Regional Office of Education #28 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 Bureau/Henry/Stark Counties Regional Office of Education #28'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.

Bureau/Henry/Stark Counties Regional Office of Education #28 maintains its financial records on the cash basis. The financial statements of Bureau/Henry/Stark Counties Regional Office of Education #28 are prepared by making memorandum adjusting entries to the cash basis financial records.

**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #28**  
**Notes to the Financial Statements**  
June 30, 2011

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 are 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 fund balances are restricted by grant agreements or contracts: General Operations, and McKinney Education for Homeless Children. The following funds are restricted by Illinois Statute: General Educational Development, Bus Driver, Supervisory, Hearing, and Institute.

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 account comprises assigned fund balance: Administrators Academy, Paraprofessional, Standards Aligned Classroom, Homeless Grant Enterprise, Language Arts, Math, Lab Tech, Fine Arts, School Improvement, Science and Reading First Enterprise.

Unassigned Fund Balance – available expendable resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of the following: Local, Interest Office Expense, Regional Safe Schools, District Services, Truants Alternative Optional Education Program, and Teacher Mentoring and Mentoring Pilot Program.

**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".

**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #28**  
**Notes to the Financial Statements**  
June 30, 2011

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. Budget and Budgetary Accounting

The ROE does not adopt, and is not legally required to adopt, a formal budget for all revenues and expenditures of the governmental funds. Certain programs administered by the ROE are subject to budget approval by the State of Illinois. These include the General Operations Fund, Truants Alternative and Optional Education, Regional Safe Schools, Title IV – 21<sup>st</sup> Century Community Learning Centers – Projects 07, 08 and 10, McKinney Education for Homeless Children, Math and Science Partnerships, Title I - Reading First Part B SEA Funds, Early Childhood Block Grant Pre-K and Parental Training, Early Childhood Block Grant Prevention Initiative and Parental Training, Teacher Mentoring and Mentoring Pilot Program, Bureau County Step Ahead, and Gifted Education.

D. Assets, Liabilities and Net Assets

Deposits and Investments

The ROE's cash and cash equivalents are considered to be demand deposits and short term investments. All investment income is recognized as revenue in the appropriate fund's Statement of Revenues, Expenditures and Changes in Fund Balance. Negative balances would be shown separately as overdrafts.

Receivables and Payables

Transactions between funds and other entities that are representative of the recognition of revenues or expenditures are referred to as "due to/from" the other funds or entities. "Other Funds" are funds managed by the ROE. "Other Governmental Units" include the Federal Government or political subdivisions of the State of Illinois.

Accounts receivable represents amounts due to the ROE at the end of the year that will be received in the next year. These are amounts due from local sources. Accounts payable represents amounts owed at the end of the year that will be paid in the next year. These are amounts due to vendors and others.

Prepaid Expenses

Amounts disbursed to pay liabilities of the future periods are recorded as prepaid expenses in the current period.

**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #28**  
**Notes to the Financial Statements**  
June 30, 2011

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

D. Assets, Liabilities and Net Assets (Continued)

Capital Assets

Capital assets, which include equipment, are reported in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$500 or more. Capital assets are recorded at historical costs if purchased.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight line method.

Deferred Revenue

Deferred revenue arises when resources are received by the ROE before it has a legal claim to them, as when monies are received prior to incurring qualifying expenditures (unearned). In subsequent periods, when both revenue recognition criteria are met, or when the ROE has a legal claim to the resources, revenue is recognized.

E. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Subsequent Events

The management of Regional Office of Education #28 has evaluated subsequent events through August 10, 2012 which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2011, have been incorporated herein. There are no events that require disclosure.

**NOTE 2: DEPOSITS AND INVESTMENTS:**

At June 30, 2011, the carrying amount of the Regional Office of Education #28's deposits was \$1,295,515 (net of cash overdrafts) and the bank balance was \$1,461,290.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, Bureau, Henry, Stark Counties Regional Office of Education #28's deposits may not be returned. Bureau, Henry, Stark Counties Regional Office of Education #28 does not have a deposit policy for custodial credit risk. As of June 30, 2011, all of Bureau, Henry, Stark Counties Regional Office of Education #28's deposits were either covered by FDIC insurance or covered by collateral held by the financial institution in Bureau, Henry, Stark Counties Regional Office of Education #28's name.



**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #28**  
**Notes to the Financial Statements**  
June 30, 2011

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**NOTE 2: DEPOSITS AND INVESTMENTS (Continued):**

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

	<u>Carrying Amount</u>
Cash – Primary Government	\$1,253,510
Cash – Agency	<u>43,005</u>
 Total	 <u>\$1,296,515</u>

**NOTE 3: COMMON BANK ACCOUNT**

The Regional Office of Education #28 does not maintain separate bank accounts for all funds. The accounting records being maintained show the portion of the common checking account balance attributable to each participating fund.

**NOTE 4: DUE FROM OTHER GOVERNMENTAL UNITS**

Due from other governmental units consists of the following at June 30, 2011:

Due from Illinois State Board of Education for unpaid portion of various programs:	
Truants Alternative/Optional Education Program	\$ 85,867
Henry County Step Ahead	5,970
Regional Safe Schools	44,568
Early Childhood Block Grant Pre-K and Parental Training	70,311
Early Childhood Block Grant Prevention Initiative and Parental Training	12,923
General Operations	41,823
Teacher Mentoring and Mentoring Pilot Program	55,791
ARRA-Title I – School Improvement	42,086
Due from Boone/Winnebago ROE #4 - RESPRO	
District Services	7,954
Due from Business Employment Skills Team- WIA-Bureau County Step Ahead	6,844
Due from Rural Education-Rural Education Achievement Program	<u>5,713</u>
 Total	 <u>\$379,850</u>

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION #28**  
Notes to the Financial Statements  
June 30, 2011

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**NOTE 5: CAPITAL ASSETS**

Capital asset activity during the 2011 fiscal year was as follows:

	<b>Balance 06-30-10</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 06-30-11</b>
Equipment	\$ 326,671	\$ 71,401	\$-0-	\$ 398,072
Less accumulated Depreciation	(249,771)	(21,630)	-0-	(271,401)
<b>Total</b>	<b>\$ 76,900</b>	<b>\$ 49,771</b>	<b>\$-0-</b>	<b>\$ 126,671</b>

**NOTE 6: DUE TO OTHER GOVERNMENTAL UNITS**

Due to other governmental units consists of the following at June 30, 2011:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
Various school districts and agencies	Distributive	\$ 43,005
Lee/Ogle Counties ROE #47	Social Emotional Learning	101,585

**NOTE 7: TRANSFERS**

Fiscal year ended June 30, 2011, interfund transfers were:

<u>Fund</u>	<u>In</u>	<u>Out</u>
General Fund:		
District Services	\$40,707	\$ -0-
Education Fund:		
Salary	-0-	40,707
<b>Total</b>	<b><u>\$40,707</u></b>	<b><u>\$40,707</u></b>

**NOTE 8: DEFICIT FUND BALANCES**

The following funds have deficit fund balances at June 30, 2011:

<u>Fund</u>	<u>Balance</u>
Education Fund:	
Truants Alternative/Optional Education Program	\$(7,781)
Teacher Mentoring and Mentoring Pilot Program	\$(6,516)

**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #28**  
**Notes to the Financial Statements**  
June 30, 2011

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**NOTE 9: EMPLOYEE BENEFIT PLAN**

*Plan Description.* The Regional Office of Education #28's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #28 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](http://www.imrf.org).

*Funding Policy.* As set by statute, Regional Office of Education #28 Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires Regional Offices of Education to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education #28 contribution rate for calendar year 2010 was 10.02 percent. The Regional Office of Education #28 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* The required contribution for calendar year 2010 was \$47,518.

**Three-Year Trend Information for the Regular Plan**

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/10	47,518	100%	-0-
12/31/09	42,452	100%	-0-
12/31/08	49,463	100%	-0-

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, include (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 Regional Office of Education #28's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. Regional Office of Education #28's Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 10 year basis.

**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #28**  
**Notes to the Financial Statements**  
June 30, 2011

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**NOTE 9: EMPLOYEE BENEFIT PLAN (Continued)**

*Funded Status and Funding Progress.* As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 93.68 percent funded. The actuarial accrued liability for benefits was \$462,778 and the actuarial value of assets was \$433,552, resulting in an underfunded actuarial accrued liability (UAAL) of \$29,226. The covered payroll (annual payroll of active employees covered by the plan) was \$474,232 and the ratio of the UAAL to the covered payroll was 6 percent.

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

The Regional Office of Education #28's employees who participate in the Teacher's Retirement System of the State of Illinois (TRS) are paid through Kewanee CUSD #229 and the Regional Office of Education #28 reimburses the school district for the payroll of these employees.

**NOTE 10: ON-BEHALF PAYMENTS**

Salaries of the Regional Superintendent and his first assistant are paid by the State of Illinois.

A breakdown of the on-behalf payments are as follows:

Regional Superintendent – salary	\$ 96,435
Regional Superintendent – benefits (includes state paid insurance)	22,327
Assistant Regional Superintendent – salary	79,559
Assistant Regional Superintendent – benefits (includes state paid insurance)	22,699
TRS on-behalf payments	<u>40,655</u>
Total on-behalf payments	<u>\$261,675</u>

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

**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #28**  
**Notes to the Financial Statements**  
June 30, 2011

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**NOTE 11: RISK MANAGEMENT**

The Regional Office of Education #28 is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Regional Office has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with prior years. During the year ended June 30, 2011 and the two previous fiscal years, no settlement exceeded insurance coverage.

**NOTE 12: OTHER POSTEMPLOYMENT BENEFITS**

The Regional Office of Education #28 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 #28 are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Regional Office of Education #28'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 #28 had no former employees for which the Regional Office of Education #28 was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Regional Office of Education #28 has not recorded any post employment benefit liability as of June 30, 2011.

**NOTE 13: NEW ACCOUNTING PRONOUNCEMENTS:**

In 2011, Bureau/Henry/Stark Counties Regional Office of Education #28 adopted Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, GASB Statement No. 59, *Financial Instruments Omnibus*, and, GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Regional Office of Education implemented these standards during the current year, however there was no significant impact of the implementation of No. 59 or No. 62 on the financial statements. The implementation of GASB Statement No. 54 changed fund balance reporting for governmental funds by adding some additional fund balance classifications, clarifying governmental fund type definitions, and providing additional disclosures on how fund balance constraints are imposed and may be modified or eliminated

**NOTE 14: RECLASSIFICATIONS:**

As a result of implementing GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, at June 30, 2011, General Operations has been reclassified from the General Fund to the Education Fund.

**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #28**  
**Notes to the Financial Statements**  
June 30, 2011

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**NOTE 14: RECLASSIFICATIONS:**

The General Operations grant which supports the general operations of the Regional Office has historically been reported in the General Fund, however, because this funding is governed by a grant agreement with the grantor, the funding is restricted and is required to be reported as a special revenue fund. The Reading First Enterprise, Science, District Services, School Improvement, Fine Arts, Lab Tech, Math, Language Arts, Homeless Grant Enterprise, Standards Aligned Classroom, Regional Safe Schools, Paraprofessional, and Administrator's Academy were reclassified to the general fund because they do not meet the definition of a special revenue fund.

These reclassifications had the following effect on the beginning fund balance for the Education and General Funds:

	<b>General Funds</b>
Fund Balance, July 1, 2010	\$137,947
Reclassification of Reading First Enterprise	2,355
Reclassification of Science	3,306
Reclassification of District Services	302,741
Reclassification of School Improvement	25,055
Reclassification of Fine Arts	18,486
Reclassification of Lab Tech	69,947
Reclassification of Math	425
Reclassification of Language Arts	56,341
Reclassification of Homeless Grant Enterprise	1,418
Reclassification of Standards Aligned Classroom	21,116
Reclassification of Regional Safe Schools	234,870
Reclassification of Paraprofessional	5,386
Reclassification of Administrator's Academy	73,048
Reclassification of ROE General Operations	(34,210)
Fund Balance, July 1, 2010, Restated	\$918,231

	<b>Education Funds</b>
Fund Balance, July 1, 2010	\$821,141
Reclassification of Reading First Enterprise	(2,355)
Reclassification of Science	(3,306)
Reclassification of District Services	(302,741)
Reclassification of School Improvement	(25,055)
Reclassification of Fine Arts	(18,486)
Reclassification of Lab Tech	(69,947)
Reclassification of Math	(425)
Reclassification of Language Arts	(56,341)
Reclassification of Homeless Grant Enterprise	(1,418)
Reclassification of Standards Aligned Classroom	(21,116)
Reclassification of Regional Safe Schools	(234,870)
Reclassification of Paraprofessional	(5,386)
Reclassification of Administrator's Academy	(73,048)
Reclassification of ROE General Operations	34,210
Fund Balance, July 1, 2010, Restated	\$ 40,857

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

**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #28**  
**SCHEDULE OF FUNDING PROGRESS –**  
**ILLINOIS MUNICIPAL RETIREMENT FUND (Unaudited)**  
 June 30, 2011

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<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL)-Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
12/31/10	\$433,552	\$462,778	\$29,226	93.68	\$474,232	6.16%
12/31/09	426,340	464,784	38,444	91.73	446,396	8.61%
12/31/08	369,562	424,909	55,347	86.97	485,409	11.40%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$458,117. On a market basis, the funded ratio would be 98.99%.



**SUPPLEMENTAL INFORMATION**

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**GENERAL FUND ACCOUNTS**  
 June 30, 2011

<u>ASSETS</u>	<u>Local</u>	<u>Interest Office Expense</u>	<u>Administrators Academy</u>	<u>Para- Professional</u>	<u>Regional Safe Schools</u>	<u>Standards Aligned Classroom</u>
Cash and cash equivalents	\$60,973	\$42,256	\$ 68,829	\$ 6,395	\$ 346,725	\$ 21,308
Due from other governments	-0-	-0-	-0-	-0-	44,568	-0-
<b>Total Assets</b>	<b>\$60,973</b>	<b>\$42,256</b>	<b>\$ 68,829</b>	<b>\$ 6,395</b>	<b>\$ 391,293</b>	<b>\$ 21,308</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ -0-	\$ -0-	\$ 12	\$ -0-	\$ 72,825	\$ -0-
Due to other governments	-0-	-0-	-0-	-0-	-0-	-0-
Deferred revenue	-0-	-0-	-0-	-0-	7,428	-0-
<b>Total Liabilities</b>	<b>-0-</b>	<b>-0-</b>	<b>12</b>	<b>-0-</b>	<b>80,253</b>	<b>-0-</b>
 <b>FUND BALANCES:</b>						
Assigned	-0-	-0-	68,817	6,395	-0-	21,308
Unassigned	60,973	42,256	-0-	-0-	311,040	-0-
<b>Total Fund Balances</b>	<b>60,973</b>	<b>42,256</b>	<b>68,817</b>	<b>6,395</b>	<b>311,040</b>	<b>21,308</b>
 <b>Total Liabilities and Fund Balances</b>	 <b>\$60,973</b>	 <b>\$42,256</b>	 <b>\$ 68,829</b>	 <b>\$ 6,395</b>	 <b>\$ 391,293</b>	 <b>\$ 21,308</b>

<u>Homeless Grant Enterprise</u>	<u>Language Arts</u>	<u>Math</u>	<u>Lab Tech</u>	<u>Fine Arts</u>	<u>School Improvement</u>	<u>District Services</u>	<u>Science</u>	<u>Reading First Enterprise</u>	<u>Total</u>
\$ 20	\$ 63,817	\$ 1,771	\$ 71,670	\$ 18,619	\$ 25,055	\$ 409,515	\$ 3,375	\$ 2,995	\$ 1,143,323
-0-	-0-	-0-	-0-	-0-	-0-	7,954	-0-	-0-	52,522
<u>\$ 20</u>	<u>\$ 63,817</u>	<u>\$ 1,771</u>	<u>\$ 71,670</u>	<u>\$ 18,619</u>	<u>\$ 25,055</u>	<u>\$ 417,469</u>	<u>\$ 3,375</u>	<u>\$ 2,995</u>	<u>\$ 1,195,845</u>
\$ -0-	\$ 29	\$ 103	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 72,969
-0-	-0-	-0-	-0-	-0-	-0-	0	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	7,428
-0-	29	103	-0-	-0-	-0-	-0-	-0-	-0-	80,397
20	63,788	1,668	71,670	18,619	25,055	-0-	3,375	2,995	283,710
-0-	-0-	-0-	-0-	-0-	-0-	417,469	-0-	-0-	831,738
20	63,788	1,668	71,670	18,619	25,055	417,469	3,375	2,995	1,115,448
<u>\$ 20</u>	<u>\$ 63,817</u>	<u>\$ 1,771</u>	<u>\$ 71,670</u>	<u>\$ 18,619</u>	<u>\$ 25,055</u>	<u>\$ 417,469</u>	<u>\$ 3,375</u>	<u>\$ 2,995</u>	<u>\$ 1,195,845</u>

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GENERAL FUND ACCOUNTS**  
Year Ended June 30, 2011

	<u>Local</u>	<u>Interest Office Expense</u>	<u>Administrators Academy</u>	<u>Para- Professional</u>	<u>Regional Safe Schools</u>	<u>Standards Aligned Classroom</u>
<b>REVENUES:</b>						
Local sources	\$ 816	\$10,386	\$ 10,575	\$ 1,909	\$ 2,248	\$ 192
State sources	-0-	-0-	-0-	-0-	290,407	-0-
Federal sources	-0-	-0-	-0-	-0-	-0-	-0-
On-behalf payments	261,675	-0-	-0-	-0-	-0-	-0-
Total Revenues	262,491	10,386	10,575	1,909	292,655	192
<b>EXPENDITURES:</b>						
Salaries	-0-	-0-	-0-	-0-	-0-	-0-
Employee benefits	-0-	-0-	-0-	-0-	-0-	-0-
Purchased services	-0-	11,710	14,270	-0-	21,332	-0-
Supplies and materials	-0-	-0-	441	900	-0-	-0-
Payments to other governmental units	-0-	-0-	95	-0-	195,153	-0-
Capital outlay	-0-	-0-	-0-	-0-	-0-	-0-
On-behalf payments	261,675	-0-	-0-	-0-	-0-	-0-
Total Expenditures	261,675	11,710	14,806	900	216,485	-0-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	816	(1,324)	(4,231)	1,009	76,170	192
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers from other funds	-0-	-0-	-0-	-0-	-0-	-0-
Transfers to other funds	-0-	-0-	-0-	-0-	-0-	-0-
Total Other Financing Sources (Uses)	-0-	-0-	-0-	-0-	-0-	-0-
<b>NET CHANGE IN FUND BALANCE</b>	816	(1,324)	(4,231)	1,009	76,170	192
<b>FUND BALANCES, BEGINNING OF YEAR RESTATED - SEE NOTE 14</b>	60,157	43,580	73,048	5,386	234,870	21,116
<b>FUND BALANCES, END OF YEAR</b>	<b>\$60,973</b>	<b>\$42,256</b>	<b>\$ 68,817</b>	<b>\$ 6,395</b>	<b>\$ 311,040</b>	<b>\$ 21,308</b>

<u>Homeless Grant Enterprise</u>	<u>Language Arts</u>	<u>Math</u>	<u>Lab Tech</u>	<u>Fine Arts</u>	<u>School Improvement</u>	<u>District Services</u>	<u>Science</u>	<u>Reading First Enterprise</u>	<u>Total</u>
\$ 2	\$ 17,021	\$5,356	\$10,240	\$ 133	\$ -0-	\$ 93,277	\$ 69	\$ 3,085	\$ 155,309
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	290,407
-0-	-0-	-0-	-0-	-0-	-0-	49,407	-0-	-0-	49,407
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	261,675
2	17,021	5,356	10,240	133	-0-	142,684	69	3,085	756,798
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	8,065	3,724	3,644	-0-	-0-	15,818	-0-	1,400	79,963
1,400	889	689	4,873	-0-	-0-	7,814	-0-	475	17,481
-0-	620	(300)	-0-	-0-	-0-	29,565	-0-	570	225,703
-0-	-0-	-0-	-0-	-0-	-0-	15,466	-0-	-0-	15,466
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	261,675
1,400	9,574	4,113	8,517	-0-	-0-	68,663	-0-	2,445	600,288
(1,398)	7,447	1,243	1,723	133	-0-	74,021	69	640	156,510
-0-	-0-	-0-	-0-	-0-	-0-	40,707	-0-	-0-	40,707
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	40,707	-0-	-0-	40,707
(1,398)	7,447	1,243	1,723	133	-0-	114,728	69	640	197,217
1,418	56,341	425	69,947	18,486	25,055	302,741	3,306	2,355	918,231
\$ 20	\$ 63,788	\$1,668	\$71,670	\$18,619	\$ 25,055	\$ 417,469	\$ 3,375	\$ 2,995	\$ 1,115,448

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND ACCOUNTS**  
Year Ended June 30, 2011

	<u>Regional Safe Schools</u>			<b>Variance Positive (Negative)</b>
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Local sources	\$ -0-	\$ -0-	\$ 2,248	\$ 2,248
State sources	89,137	89,137	290,407	201,270
Federal sources	-0-	-0-	-0-	-0-
<b>Total Revenues</b>	<u>89,137</u>	<u>89,137</u>	<u>292,655</u>	<u>203,518</u>
<b>EXPENDITURES:</b>				
Salaries	-0-	-0-	-0-	-0-
Employee benefits	-0-	-0-	-0-	-0-
Purchased services	21,750	21,750	21,332	418
Supplies and materials	-0-	-0-	-0-	-0-
Capital outlay	-0-	-0-	-0-	-0-
Other objects	-0-	-0-	-0-	-0-
Payments to other governmental units	67,387	67,387	195,153	(127,766)
<b>Total Expenditures</b>	<u>89,137</u>	<u>89,137</u>	<u>216,485</u>	<u>(127,348)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	76,170	<u>\$ 76,170</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>234,870</u>	
<b>FUND BALANCE , END OF YEAR</b>			<u>\$ 311,040</u>	

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**EDUCATION FUND ACCOUNTS**  
 June 30, 2011

	Bureau County Step Ahead	Henry County Step Ahead	General Operations	Gifted Education	Truants Alternative Optional Education Program	Salary	McKinney Education for Homeless Children	Title IV 21st Century Community Learning Centers Project 07	Title IV 21st Century Community Learning Centers Project 08
<b>ASSETS</b>									
Cash and cash equivalents	\$ -0-	\$ -0-	\$ 27,054	\$ -0-	\$ -0-	\$ -0-	\$ 2,013	\$ 8,559	\$ 49,004
Due from other governmental units	6,844	5,970	41,823	-0-	85,867	-0-	-0-	-0-	-0-
<b>Total Assets</b>	<b>\$ 6,844</b>	<b>\$ 5,970</b>	<b>\$ 68,877</b>	<b>\$ -0-</b>	<b>\$ 85,867</b>	<b>\$ -0-</b>	<b>\$ 2,013</b>	<b>\$ 8,559</b>	<b>\$ 49,004</b>
<b>LIABILITIES</b>									
Cash overdraft	\$ 4,370	\$ 2,447	\$ -0-	\$ -0-	\$ 77,882	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Accounts payable	2,474	3,523	10,900	-0-	7,985	-0-	1,945	4,420	3,100
Due to other governments	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Deferred revenue	-0-	-0-	25,932	-0-	7,781	-0-	-0-	4,139	45,904
<b>Total Liabilities</b>	<b>6,844</b>	<b>5,970</b>	<b>36,832</b>	<b>-0-</b>	<b>93,648</b>	<b>-0-</b>	<b>1,945</b>	<b>8,559</b>	<b>49,004</b>
<b>FUND BALANCES</b>									
Restricted	-0-	-0-	32,045	-0-	-0-	-0-	68	-0-	-0-
Unassigned	-0-	-0-	-0-	-0-	(7,781)	-0-	-0-	-0-	-0-
<b>Total Fund Balances(Deficit)</b>	<b>-0-</b>	<b>-0-</b>	<b>32,045</b>	<b>-0-</b>	<b>(7,781)</b>	<b>-0-</b>	<b>68</b>	<b>-0-</b>	<b>-0-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,844</b>	<b>\$ 5,970</b>	<b>\$ 68,877</b>	<b>\$ -0-</b>	<b>\$ 85,867</b>	<b>\$ -0-</b>	<b>\$ 2,013</b>	<b>\$ 8,559</b>	<b>\$ 49,004</b>

Title IV 21st Century Community Learning Centers Project 10	Title I		Early Childhood Block Grant Pre-K and Parental Training	Early Childhood Block Grant Prevention Initiative and Parental Training	Rural Education Achievement Program	Math and Science Partnership	ARRA Title I - School Improvement	American Recovery & Reinvestment Act	Social Emotional Learning	Teacher Mentoring and Mentoring Pilot Program	Total
	Reading First Part B SEA Funds Project 00										
\$ 17,762	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 33,169	\$ -0-	\$ -0-	\$ 101,585	20,291	\$ 259,437
-0-	-0-	70,311	12,923	5,713	-0-	42,086	-0-	-0-	-0-	55,791	327,328
\$ 17,762	\$ -0-	\$ 70,311	\$ 12,923	\$ 5,713	\$ 33,169	\$ 42,086	\$ -0-	\$ -0-	\$ 101,585	\$ 76,082	\$ 586,765
\$ -0-	\$ -0-	\$ 55,588	\$ 12,515	\$ 5,713	\$ -0-	\$ 39,929	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 198,444
3,092	-0-	14,723	408	-0-	12,229	2,157	-0-	-0-	-0-	76,082	143,038
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	101,585	-0-	101,585
14,670	-0-	-0-	-0-	-0-	-0-	20,940	-0-	-0-	-0-	6,516	125,882
17,762	-0-	70,311	12,923	5,713	33,169	42,086	-0-	101,585	82,598	568,949	
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	32,113
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(6,516)	(14,297)
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(6,516)	17,816
\$ 17,762	\$ -0-	\$ 70,311	\$ 12,923	\$ 5,713	\$ 33,169	\$ 42,086	\$ -0-	\$ -0-	\$ 101,585	\$ 76,082	\$ 586,765



**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
 June 30, 2011

	Bureau County	Henry County	General Operations	Gifted Education	Truants Alternative Optional Education Program	Salary	McKinney Education for Homeless Children	Title IV 21st Century Community Learning Centers Project 07	Title IV 21st Century Community Learning Centers Project 08	Title IV 21st Century Community Learning Centers Project 10
<b>REVENUES:</b>										
Local sources	\$ -0-	\$ 70,844	\$ 1,670	\$ -0-	\$ -0-	\$ 40,707	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	-0-	-0-	54,896	3,792	116,987	-0-	-0-	-0-	-0-	-0-
Federal sources	30,909	-0-	-0-	-0-	-0-	-0-	20,191	90,292	228,026	178,160
<b>Total Revenues</b>	<b>30,909</b>	<b>70,844</b>	<b>56,566</b>	<b>3,792</b>	<b>116,987</b>	<b>40,707</b>	<b>20,191</b>	<b>90,292</b>	<b>228,026</b>	<b>178,160</b>
<b>EXPENDITURES:</b>										
Salaries	17,512	46,025	19,804	-0-	52,733	-0-	10,204	40,672	86,873	73,523
Employee benefits	7,078	14,304	13,956	-0-	14,676	-0-	3,814	7,652	24,820	18,860
Purchased services	4,155	7,929	6,707	100	7,029	-0-	987	7,430	23,989	13,621
Supplies and materials	2,164	1,704	6,702	15	3,553	-0-	4,465	2,596	19,879	6,360
Capital outlay	-0-	-0-	1,728	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Payments to other governmental units	-0-	882	9,834	3,677	7,900	-0-	721	31,942	72,465	65,796
<b>Total Expenditures</b>	<b>30,909</b>	<b>70,844</b>	<b>58,731</b>	<b>3,792</b>	<b>85,891</b>	<b>-0-</b>	<b>20,191</b>	<b>90,292</b>	<b>228,026</b>	<b>178,160</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-0-</b>	<b>-0-</b>	<b>(2,165)</b>	<b>-0-</b>	<b>31,096</b>	<b>40,707</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
Transfers from other funds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfers to other funds	-0-	-0-	-0-	-0-	-0-	(40,707)	-0-	-0-	-0-	-0-
<b>Total Other Financing Sources (Uses)</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>(40,707)</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-0-</b>	<b>-0-</b>	<b>(2,165)</b>	<b>-0-</b>	<b>31,096</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR - RESTATED - SEE NOTE 14</b>	<b>-0-</b>	<b>-0-</b>	<b>34,210</b>	<b>-0-</b>	<b>(38,877)</b>	<b>-0-</b>	<b>68</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 32,045</b>	<b>\$ -0-</b>	<b>\$ (7,781)</b>	<b>\$ -0-</b>	<b>\$ 68</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

Title I Reading First Part B SEA Funds Project 00	Early Childhood Block Grant Pre-K and Parental Training	Early Childhood Block Grant Prevention Initiative and Parental Training	Rural Education Achievement Program	Math and Science Partnership	ARRA Title I - School Improvement	American Recovery & Reinvestment Act	Social Emotional Learning	Teacher Mentoring and Mentoring Pilot Program	Total
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 28,541	\$ -0-	\$ 141,762
-0-	226,959	64,479	-0-	-0-	-0-	-0-	-0-	195,038	662,151
8,191	-0-	-0-	19,906	224,491	140,000	14,613	-0-	-0-	954,779
8,191	226,959	64,479	19,906	224,491	140,000	14,613	28,541	195,038	1,758,692
-0-	30,497	36,035	-0-	3,994	-0-	-0-	-0-	34,994	452,866
-0-	5,583	8,660	-0-	3,355	3,348	-0-	-0-	6,286	132,392
4,029	18,592	10,915	-0-	32,523	29,412	-0-	3,676	82,979	254,073
4,162	7,248	4,039	2,495	93,307	3,489	-0-	47	12,359	174,584
-0-	-0-	-0-	657	53,550	-0-	-0-	-0-	-0-	55,935
-0-	145,721	4,830	16,754	37,762	103,751	14,613	101,585	52,943	671,176
8,191	207,641	64,479	19,906	224,491	140,000	14,613	105,308	189,561	1,741,026
-0-	19,318	-0-	-0-	-0-	-0-	-0-	(76,767)	5,477	17,666
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(40,707)
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(40,707)
-0-	19,318	-0-	-0-	-0-	-0-	-0-	(76,767)	5,477	(23,041)
-0-	(19,318)	-0-	-0-	-0-	-0-	-0-	76,767	(11,993)	40,857
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ (6,516)	\$ 17,816

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2011

	<u>Gifted Education</u>			Variance Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	74,503	74,503	3,792	(70,711)
Federal sources	-0-	-0-	-0-	-0-
Total Revenues	<u>74,503</u>	<u>74,503</u>	<u>3,792</u>	<u>(70,711)</u>
EXPENDITURES:				
Salaries	-0-	-0-	-0-	-0-
Employee benefits	-0-	-0-	-0-	-0-
Purchased services	19,750	2,750	100	2,650
Supplies and materials	9,815	32,815	15	32,800
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	44,938	38,938	3,677	35,261
Total Expenditures	<u>74,503</u>	<u>74,503</u>	<u>3,792</u>	<u>70,711</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	-0-	<u>\$ -0-</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>-0-</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ -0-</u>	

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2011

	<u>Truants Alternative Optional Education Program</u>			
	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	85,891	85,891	116,987	31,096
Federal sources	-0-	-0-	-0-	-0-
Total Revenues	<u>85,891</u>	<u>85,891</u>	<u>116,987</u>	<u>31,096</u>
EXPENDITURES:				
Salaries	-0-	-0-	52,733	(52,733)
Employee benefits	-0-	-0-	14,676	(14,676)
Purchased services	10,900	10,900	7,029	3,871
Supplies and materials	2,700	2,700	3,553	(853)
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	72,291	72,291	7,900	64,391
Total Expenditures	<u>85,891</u>	<u>85,891</u>	<u>85,891</u>	<u>-0-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	31,096	<u>\$ 31,096</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>(38,877)</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ (7,781)</u>	

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2011

	<u>General Operations</u>			<b>Variance Positive (Negative)</b>
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ 1,670	\$ 1,670
State sources	31,783	57,715	54,896	(2,819)
Federal sources	-0-	-0-	-0-	-0-
	<u>31,783</u>	<u>57,715</u>	<u>56,566</u>	<u>(1,149)</u>
Total Revenues				
EXPENDITURES:				
Salaries	-0-	-0-	19,804	(19,804)
Employee benefits	-0-	-0-	13,956	(13,956)
Purchased services	7,500	7,250	6,707	543
Supplies and materials	1,375	4,250	6,702	(2,452)
Capital outlay	250	2,000	1,728	272
Payments to other governmental units	22,658	44,215	9,834	34,381
	<u>31,783</u>	<u>57,715</u>	<u>58,731</u>	<u>(1,016)</u>
Total Expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	(2,165)	<u>\$ (2,165)</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>34,210</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ 32,045</u>	

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2011

McKinney Education for Homeless Children

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	-0-	-0-	-0-	-0-
Federal sources	19,922	19,922	20,191	269
Total Revenues	<u>19,922</u>	<u>19,922</u>	<u>20,191</u>	<u>269</u>
EXPENDITURES:				
Salaries	-0-	-0-	10,204	(10,204)
Employee benefits	-0-	-0-	3,814	(3,814)
Purchased services	2,150	1,650	987	663
Supplies and materials	6,848	3,500	4,465	(965)
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	10,924	14,772	721	14,051
Total Expenditures	<u>19,922</u>	<u>19,922</u>	<u>20,191</u>	<u>(269)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	-0-	<u>\$ -0-</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>68</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ 68</u>	

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2011

**Title IV 21st Century Community Learning Centers-07**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	-0-	-0-	-0-	-0-
Federal sources	103,500	103,500	90,292	(13,208)
Total Revenues	103,500	103,500	90,292	(13,208)
EXPENDITURES:				
Salaries	48,960	48,960	40,672	8,288
Employee benefits	9,816	9,816	7,652	2,164
Purchased services	6,456	6,456	7,430	(974)
Supplies and materials	4,475	4,475	2,596	1,879
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	33,793	33,793	31,942	1,851
Total Expenditures	103,500	103,500	90,292	13,208
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	-0-	<u>\$ -0-</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>-0-</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ -0-</u>	

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2011

**Title IV 21st Century Community Learning Centers-08**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	-0-	-0-	-0-	-0-
Federal sources	236,300	236,300	228,026	(8,274)
<b>Total Revenues</b>	<u>236,300</u>	<u>236,300</u>	<u>228,026</u>	<u>(8,274)</u>
<b>EXPENDITURES:</b>				
Salaries	83,410	87,910	86,873	1,037
Employee benefits	31,881	32,225	24,820	7,405
Purchased services	18,815	18,858	23,989	(5,131)
Supplies and materials	13,362	13,362	19,879	(6,517)
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	88,832	102,803	72,465	30,338
<b>Total Expenditures</b>	<u>236,300</u>	<u>255,158</u>	<u>228,026</u>	<u>27,132</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ -0-</u>	<u>\$ (18,858)</u>	-0-	<u>\$ 18,858</u>
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>			<u>-0-</u>	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			<u>\$ -0-</u>	



**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2011

**Title IV, Part B**  
**21st Century Community**  
**Learning Centers Project 10**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	-0-	-0-	-0-	-0-
Federal sources	210,361	210,361	178,160	(32,201)
Total Revenues	<u>210,361</u>	<u>210,361</u>	<u>178,160</u>	<u>(32,201)</u>
EXPENDITURES:				
Salaries	81,040	81,040	73,523	7,517
Employee benefits	20,897	20,897	18,860	2,037
Purchased services	10,204	13,579	13,621	(42)
Supplies and materials	7,321	7,321	6,360	961
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	90,899	87,524	65,796	21,728
Total Expenditures	<u>210,361</u>	<u>210,361</u>	<u>178,160</u>	<u>32,201</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	-0-	<u>\$ -0-</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>-0-</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ -0-</u>	

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2011

<b>Title I - Reading First</b>				
<b><u>Part B SEA Funds Project 00</u></b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	-0-	-0-	-0-	-0-
Federal sources	11,703	11,703	8,191	(3,512)
Total Revenues	<u>11,703</u>	<u>11,703</u>	<u>8,191</u>	<u>(3,512)</u>
<b>EXPENDITURES:</b>				
Salaries	-0-	-0-	-0-	-0-
Employee benefits	-0-	-0-	-0-	-0-
Purchased services	7,635	7,635	4,029	3,606
Supplies and materials	4,068	4,068	4,162	(94)
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	-0-	-0-	-0-	-0-
Total Expenditures	<u>11,703</u>	<u>11,703</u>	<u>8,191</u>	<u>3,512</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	-0-	<u>\$ -0-</u>
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>			<u>-0-</u>	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			<u>\$ -0-</u>	

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2011

	<b>Early Childhood Block Grant Pre-K and Parental Training</b>			<b>Variance Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	135,227	245,227	226,959	(18,268)
Federal sources	-0-	-0-	-0-	-0-
<b>Total Revenues</b>	<u>135,227</u>	<u>245,227</u>	<u>226,959</u>	<u>(18,268)</u>
<b>EXPENDITURES:</b>				
Salaries	-0-	-0-	30,497	(30,497)
Employee benefits	-0-	-0-	5,583	(5,583)
Purchased services	15,150	18,150	18,592	(442)
Supplies and materials	8,500	11,526	7,248	4,278
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	111,577	215,551	145,721	69,830
<b>Total Expenditures</b>	<u>135,227</u>	<u>245,227</u>	<u>207,641</u>	<u>37,586</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	19,318	<u>\$ 19,318</u>
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>			<u>(19,318)</u>	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			<u>\$ -0-</u>	

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2011

**Early Childhood Block Grant**  
**Prevention Initiative and Parental Training**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	42,536	100,536	64,479	(36,057)
Federal sources	-0-	-0-	-0-	-0-
Total Revenues	<u>42,536</u>	<u>100,536</u>	<u>64,479</u>	<u>(36,057)</u>
EXPENDITURES:				
Salaries	-0-	-0-	36,035	(36,035)
Employee benefits	-0-	-0-	8,660	(8,660)
Purchased services	4,150	9,550	10,915	(1,365)
Supplies and materials	1,690	3,730	4,039	(309)
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	36,696	87,256	4,830	82,426
Total Expenditures	<u>42,536</u>	<u>100,536</u>	<u>64,479</u>	<u>36,057</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	-0-	<u>\$ -0-</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>-0-</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ -0-</u>	

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2011

	<u>Math and Science Partnership</u>			Variance
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Positive</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>(Negative)</u>
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	-0-	-0-	-0-	-0-
Federal sources	244,851	244,851	224,491	(20,360)
Total Revenues	<u>244,851</u>	<u>244,851</u>	<u>224,491</u>	<u>(20,360)</u>
EXPENDITURES:				
Salaries	-0-	-0-	3,994	(3,994)
Employee benefits	-0-	-0-	3,355	(3,355)
Purchased services	38,300	38,300	32,523	5,777
Supplies and materials	110,590	110,590	93,307	17,283
Capital outlay	59,975	59,975	53,550	6,425
Payments to other governmental units	35,986	35,986	37,762	(1,776)
Total Expenditures	<u>244,851</u>	<u>244,851</u>	<u>224,491</u>	<u>20,360</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	-0-	<u>\$ -0-</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>-0-</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ -0-</u>	

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2011

	<u>Bureau County Step Ahead</u>			Variance Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	-0-	-0-	-0-	-0-
Federal sources	68,568	38,875	30,909	(7,966)
Total Revenues	<u>68,568</u>	<u>38,875</u>	<u>30,909</u>	<u>(7,966)</u>
EXPENDITURES:				
Salaries	42,092	23,545	17,512	6,033
Employee benefits	14,876	8,280	7,078	1,202
Purchased services	8,000	4,000	4,155	(155)
Supplies and materials	3,600	3,050	2,164	886
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	-0-	-0-	-0-	-0-
Total Expenditures	<u>68,568</u>	<u>38,875</u>	<u>30,909</u>	<u>7,966</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	-0-	<u>\$ -0-</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>-0-</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ -0-</u>	

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2011

	<b>Teacher Mentoring and Mentoring Pilot Program</b>			<b>Variance Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	128,121	128,121	195,038	66,917
Federal sources	-0-	-0-	-0-	-0-
<b>Total Revenues</b>	<b>128,121</b>	<b>128,121</b>	<b>195,038</b>	<b>66,917</b>
<b>EXPENDITURES:</b>				
Salaries	-0-	-0-	34,994	(34,994)
Employee benefits	-0-	-0-	6,286	(6,286)
Purchased services	85,500	85,500	82,979	2,521
Supplies and materials	2,152	2,152	12,359	(10,207)
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	40,469	40,469	52,943	(12,474)
<b>Total Expenditures</b>	<b>128,121</b>	<b>128,121</b>	<b>189,561</b>	<b>(61,440)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>5,477</b>	<b>\$ 5,477</b>
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>			<b>(11,993)</b>	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			<b>\$ (6,516)</b>	

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 June 30, 2011

<b><u>ASSETS</u></b>	<b>Institute Fund</b>	<b>General Educational Development Fund</b>	<b>Bus Driver Fund</b>	<b>Hearing Fund</b>	<b>Supervisory Fund</b>	<b>Total</b>
Cash and cash equivalents	\$ 34,642	\$ 1,645	\$ 9,210	\$ 1,338	\$ 2,359	\$ 49,194
Due from other governmental units	-0-	-0-	-0-	-0-	-0-	-0-
<b>Total Assets</b>	<b><u>\$ 34,642</u></b>	<b><u>\$ 1,645</u></b>	<b><u>\$ 9,210</u></b>	<b><u>\$ 1,338</u></b>	<b><u>\$ 2,359</u></b>	<b><u>\$ 49,194</u></b>
 <b><u>LIABILITIES</u></b>						
Accounts payable	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Deferred revenue	-0-	-0-	-0-	-0-	-0-	-0-
<b>Total Liabilities</b>	<b><u>-0-</u></b>	<b><u>-0-</u></b>	<b><u>-0-</u></b>	<b><u>-0-</u></b>	<b><u>-0-</u></b>	<b><u>-0-</u></b>
 <b><u>FUND BALANCES</u></b>						
Restricted	34,642	1,645	9,210	1,338	2,359	49,194
<b>Total Fund Balances</b>	<b><u>34,642</u></b>	<b><u>1,645</u></b>	<b><u>9,210</u></b>	<b><u>1,338</u></b>	<b><u>2,359</u></b>	<b><u>49,194</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 34,642</u></b>	<b><u>\$ 1,645</u></b>	<b><u>\$ 9,210</u></b>	<b><u>\$ 1,338</u></b>	<b><u>\$ 2,359</u></b>	<b><u>\$ 49,194</u></b>



**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
Year Ended June 30, 2011

	<u>Institute Fund</u>	<u>General Educational Development Fund</u>	<u>Bus Driver Fund</u>	<u>Hearing Fund</u>	<u>Supervisory Fund</u>	<u>Total</u>
<b>REVENUES:</b>						
Local sources	\$ 19,035	\$ 5,740	\$ 2,368	\$ 1,039	\$ -0-	\$ 28,182
State sources	-0-	-0-	955	-0-	-0-	955
Total Revenues	<u>19,035</u>	<u>5,740</u>	<u>3,323</u>	<u>1,039</u>	<u>-0-</u>	<u>29,137</u>
<b>EXPENDITURES:</b>						
Purchased services	9,031	5,671	1,360	714	1,167	17,943
Supplies and materials	-0-	256	574	-0-	-0-	830
Capital outlay	-0-	-0-	-0-	-0-	-0-	-0-
Payments to other governmental units	-0-	-0-	-0-	-0-	-0-	-0-
Total Expenditures	<u>9,031</u>	<u>5,927</u>	<u>1,934</u>	<u>714</u>	<u>1,167</u>	<u>18,773</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,004	(187)	1,389	325	(1,167)	10,364
FUND BALANCE, BEGINNING OF YEAR	<u>24,638</u>	<u>1,832</u>	<u>7,821</u>	<u>1,013</u>	<u>3,526</u>	<u>38,830</u>
FUND BALANCE, END OF YEAR	<u>\$ 34,642</u>	<u>\$ 1,645</u>	<u>\$ 9,210</u>	<u>\$ 1,338</u>	<u>\$ 2,359</u>	<u>\$ 49,194</u>

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**AGENCY FUNDS**  
 June 30, 2011

	<u>Distributive</u> <u>Fund</u>	<u>Distributive</u> <u>Interest</u> <u>Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 26,414	\$ 16,591	\$ 43,005
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Due to other governmental units	\$ 26,414	\$ 16,591	\$ 43,005

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**COMBINING STATEMENT OF CHANGES IN**  
**ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
 June 30, 2011

	<u>Balance,</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>June 30, 2011</u>
<b>DISTRIBUTIVE FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 676,420	\$ 48,891,226	\$ 49,541,232	\$ 26,414
Due from other governments	-0-	-0-	-0-	-0-
Total assets	<u>\$ 676,420</u>	<u>\$ 48,891,226</u>	<u>\$ 49,541,232</u>	<u>\$ 26,414</u>
<b>LIABILITIES</b>				
Due to other governmental units	<u>\$ 676,420</u>	<u>\$ 48,891,226</u>	<u>\$ 49,541,232</u>	<u>\$ 26,414</u>
 <b>DISTRIBUTIVE INTEREST FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 16,589</u>	<u>\$ 3,371</u>	<u>\$ 3,369</u>	<u>\$ 16,591</u>
<b>LIABILITIES</b>				
Due to other governmental units	<u>\$ 16,589</u>	<u>\$ 3,371</u>	<u>\$ 3,369</u>	<u>\$ 16,591</u>
 <b>TOTAL ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 693,009	\$ 48,894,597	\$ 49,544,601	\$ 43,005
Due from other governments	-0-	-0-	-0-	-0-
Total assets	<u>\$ 693,009</u>	<u>\$ 48,894,597</u>	<u>\$ 49,544,601</u>	<u>\$ 43,005</u>
<b>LIABILITIES</b>				
Due to other governmental units	<u>\$ 693,009</u>	<u>\$ 48,894,597</u>	<u>\$ 49,544,601</u>	<u>\$ 43,005</u>

**BUREAU /HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES**  
Year Ended June 30, 2011

<u>SCHOOL DISTRICT</u>	<u>General State Aid 3001</u>	<u>National Board Cert 3651</u>	<u>Special Education 3100</u>	<u>Education Fax. Tuition 3100</u>	<u>Education Extraordinary 3105</u>	<u>Education Personnel 3110</u>
BRADFORD CUSD #1	\$ 566,363	\$ -	\$ -	\$ -	\$ 56,995	\$ 27,559
LADD G.S. SD #94	654,916				34,462	18,582
STARK COUNTY CUSD #100	2,236,758	1,760			145,147	84,616
LEPERTOWN G.S. DIST. #175	159,808				12,448	20,727
COLONA ELEM SD #190	1,796,501				80,413	67,749
ORION CUSD #223	2,386,223				176,625	112,784
GALVA CUSD #224	2,110,757				106,096	85,888
ALWOOD CUSD #225	82,523				45,937	24,686
ANNAWAN CUSD #226	1,011,567	1,760		23,077	65,910	28,804
CAMBRIDGE CUSD #227	1,687,508				87,881	61,898
GENESEO CUSD #228	6,277,520	1,760		43,568	449,984	214,797
KEWANEE CUSD #229	9,098,459		17,399	17,399	342,313	76,138
WETHERSFIELD CUSD #230	2,267,556				113,906	37,050
NEPONSET C.C. SD #307	181,357				19,184	2,255
BRUCE DENNISON, REG SUPT #28	145,910					
BUREAU VALLEY CUSD #340						
PRINCETON H.S. SD #500	1,151,287				115,655	128,236
	<u>\$ 31,815,013</u>	<u>\$ 5,280</u>	<u>\$ 17,399</u>	<u>\$ 84,044</u>	<u>\$ 1,852,956</u>	<u>\$ 991,769</u>

**BUREAU /HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES**  
Year Ended June 30, 2011

<u>SCHOOL DISTRICT</u>	<u>Orphanage Group 3120</u>	<u>Education Summer School 3145</u>	<u>Bilingual Education 3305</u>	<u>Title I Low Income 4306</u>	<u>Illinois Free Lunch 3360</u>
BRADFORD CUSD #1	\$ 38,333	\$ -	\$ -	\$ -	\$ 1,291
LADD G.S. SD #94					635
STARK COUNTY CUSD #100					6,755
LEPERTOWN G.S. DIST. #175					1,109
COLONA ELEM SD #190		849			4,599
ORION CUSD #223	37,073	307		34732	1,350
GALVA CUSD #224	19,398				3,949
ALWOOD CUSD #225					225
ANNAWAN CUSD #226					913
CAMBRIDGE CUSD #227					2,451
GENESEO CUSD #228	12,681	1,494			12,381
KEWANEE CUSD #229	47,582		50,524		31,241
WETHERSFIELD CUSD #230	3,503				4,948
NEPONSET C.C. SD #307					1,146
BRUCE DENNISON, REG SUPT #28					
BUREAU VALLEY CUSD #340					
PRINCETON H.S. SD #500					2,416
	<u>\$ 158,570</u>	<u>\$ 2,650</u>	<u>\$ 50,524</u>	<u>\$ 34,732</u>	<u>\$ 75,409</u>

**BUREAU /HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES**  
Year Ended June 30, 2011

<u>SCHOOL DISTRICT</u>	<u>Breakfast Incentive 3365</u>	<u>Driver Education 3370</u>	<u>Transportation Regular 3500</u>	<u>Transportation Special Education 3510</u>	<u>School Bus Driver Training 3520</u>
BRADFORD CUSD #1	\$ 4	\$ -	\$ 43,616	\$ 51,341	\$ -
LADD G.S. SD #94			52,959	35,005	
STARK COUNTY CUSD #100	93	18,176	193,451	79,444	
LEPERTOWN G.S. DIST. #175	19		24,487	12,834	
COLONA ELEM SD #190	9			25,924	
ORION CUSD #223		19,058	375,593	52,996	
GALVA CUSD #224	3	5,396	150,428	137,680	
ALWOOD CUSD #225	15		132,755	32,274	
ANNAWAN CUSD #226		12,870	95,180	24,526	
CAMBRIDGE CUSD #227	24	5,220	103,613	37,111	
GENESEO CUSD #228	51	44,587	1,137,098	255,779	
KEWANEE CUSD #229	144	26,306	264,376	114,001	
WETHERSFIELD CUSD #230	52	10,536	71,709	60,769	
NEPONSET C.C. SD #307	11		77,006		
BRUCE DENNISON, REG SUPT #28					955
BUREAU VALLEY CUSD #340					
PRINCETON H.S. SD #500	32	37,554	70,194	41,328	
	<u>\$ 457</u>	<u>\$ 179,703</u>	<u>\$ 2,792,465</u>	<u>\$ 961,012</u>	<u>\$ 955</u>

**BUREAU /HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES**  
Year Ended June 30, 2011

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<u>SCHOOL DISTRICT</u>	<u>Truants Alternative Education 3695</u>	<u>Regional Safe Schools 3696</u>	<u>Early Childhood Block Grant 3705</u>	<u>Reading Improvement 3715</u>	<u>ROE/ISC Operations 3730</u>
BRADFORD CUSD #1	\$ -	\$ -	\$ 72,223	\$ 4,347	\$ -0-
LADD G.S. SD #94				3,271	
STARK COUNTY CUSD #100			171,790	11,633	
LEEPERTOWN G.S. DIST. #175			60,070	771	
COLONA ELEM SD #190			108,333	10,290	
ORION CUSD #223			89,521	11,716	
GALVA CUSD #224			98,156	8,578	
ALWOOD CUSD #225			60,796	5,241	
ANNAWAN CUSD #226			96,198	9,710	
CAMBRIDGE CUSD #227			140,876	13,891	
GENESEO CUSD #228			180,000	31,168	
KEWANEE CUSD #229			196,735	29,395	
WETHERSFIELD CUSD #230			139,013	9,116	
NEPONSET C.C. SD #307			51,764	1,878	
BRUCE DENNISON, REG SUPT #28	58,351	116,879	230,812		50,563
BUREAU VALLEY CUSD #340					
PRINCETON H.S. SD #500					
	<u>\$ 58,351</u>	<u>\$ 116,879</u>	<u>\$ 1,696,287</u>	<u>\$ 151,005</u>	<u>\$ 50,563</u>

**BUREAU /HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES**  
Year Ended June 30, 2011

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<u>SCHOOL DISTRICT</u>	<u>Supervisory Expense 3745</u>	<u>ADA Safety Ed Block Grant 3775</u>	<u>National School Lunch 4240</u>	<u>Arts and Foreign Assistance 3962</u>	<u>Mentoring 3982</u>
BRADFORD CUSD #1	\$ -	\$ 1,385	\$ -	\$ -	\$ -
LADD G.S. SD #94		884			
STARK COUNTY CUSD #100		3,417			
LEPERTOWN G.S. DIST. #175					
COLONA ELEM SD #190		1,917			
ORION CUSD #223		4,627			
GALVA CUSD #224		2,567			
ALWOOD CUSD #225		1,895			
ANNAWAN CUSD #226		1,681			
CAMBRIDGE CUSD #227		2,160			
GENESEO CUSD #228		11,496			
KEWANEE CUSD #229		7,384	33,076		
WETHERSFIELD CUSD #230		2,729			
NEPONSET C.C. SD #307		448			
BRUCE DENNISON, REG SUPT #28					210,084
BUREAU VALLEY CUSD #340					
PRINCETON H.S. SD #500		2,855			
	<u>\$ -</u>	<u>\$ 45,445</u>	<u>\$ 33,076</u>	<u>\$ -</u>	<u>\$ 210,084</u>



**BUREAU /HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES**  
Year Ended June 30, 2011

<u>SCHOOL DISTRICT</u>	<u>Children's Mental Health 3990</u>	<u>Special Appropriations 3999</u>	<u>Lunch, Brkfst and Milk 4210</u>	<u>Lunch Special Milk Program 4215</u>	<u>Breakfast Program 4220</u>
BRADFORD CUSD #1	\$ -	\$ -	\$ 34,724	\$ -	\$ 6,770
LADD G.S. SD #94			24,119		
STARK COUNTY CUSD #100			134,012		36,496
LEPERTOWN G.S. DIST. #175			18,220		11,175
COLONA ELEM SD #190			90,562		28,558
ORION CUSD #223			85,755		
GALVA CUSD #224			90,980		9,490
ALWOOD CUSD #225					
ANNAWAN CUSD #226			49,004		
CAMBRIDGE CUSD #227			69,272	1,700	19,495
GENESEEO CUSD #228			275,764		59,326
KEWANEE CUSD #229			520,993		172,745
WETHERSFIELD CUSD #230			97,214		19,572
NEPONSET C.C. SD #307			23,820		12,869
BRUCE DENNISON, REG SUPT #28					
BUREAU VALLEY CUSD #340					
PRINCETON H.S. SD #500			61,789		8,341
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,576,228</u>	<u>\$ 1,700</u>	<u>\$ 384,837</u>

**BUREAU /HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES**  
 Year Ended June 30, 2011

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<u>SCHOOL DISTRICT</u>	<u>Summer Food 4225</u>	<u>Title I 4300</u>	<u>Reading First 4337</u>	<u>Drug Free Schools 4400</u>	<u>21st Century Community Learning 4421</u>
BRADFORD CUSD #1	\$ -	\$ 38,519	\$ -	\$ -	\$ -
LADD G.S. SD #94					
STARK COUNTY CUSD #100		114,498			
LEPERTOWN G.S. DIST. #175					
COLONA ELEM SD #190		108,675			
ORION CUSD #223		31,262			
GALVA CUSD #224		72,545		725	
ALWOOD CUSD #225					
ANNAWAN CUSD #226		30,099		420	
CAMBRIDGE CUSD #227		97,306			
GENESEEO CUSD #228		151,498		12,038	
KEWANEE CUSD #229	39,541	820,898		2,000	
WETHERSFIELD CUSD #230		68,597			
NEPONSET C.C. SD #307		43,000			
BRUCE DENNISON, REG SUPT #28			5,852		390,717
BUREAU VALLEY CUSD #340					
PRINCETON H.S. SD #500		92,690			
	<u>\$ 39,541</u>	<u>\$ 1,669,587</u>	<u>\$ 5,852</u>	<u>\$ 15,183</u>	<u>\$ 390,717</u>

**BUREAU /HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES**  
Year Ended June 30, 2011

SCHOOL DISTRICT	Education Room & Board 4625	American Recovery & Reinvestment Act 4850	American Recovery & Reinvestment Act 4851	American Recovery & Reinvestment Act 4880	Title III Language 4909	American Recovery Reinvestment Act 4854
BRADFORD CUSD #1	\$ -	\$ -	\$ -	\$ 51,531	\$ -	\$ -
LADD G.S. SD #94						
STARK COUNTY CUSD #100			22,967	203,657		
LEPERTOWN G.S. DIST. #175	20			14,551		
COLONA ELEM SD #190	2,041		4,764	163,571		
ORION CUSD #223	439					
GALVA CUSD #224			2,435	192,184		
ALWOOD CUSD #225						
ANNAWAN CUSD #226			12,826	92,103		
CAMBRIDGE CUSD #227				153,647		
GENESECO CUSD #228	69,151			571,568		
KEWANEE CUSD #229	117,546		136,912	834,059	16,510	
WETHERSFIELD CUSD #230			15,847	206,461		
NEPONSET C.C. SD #307				16,513		
BRUCE DENNISON, REG SUPT #28				14,613		97,914
BUREAU VALLEY CUSD #340						
PRINCETON H.S. SD #500				104,825		
	<u>\$ 189,197</u>	<u>\$ -</u>	<u>\$ 195,751</u>	<u>\$ 2,619,283</u>	<u>\$ 16,510</u>	<u>\$ 97,914</u>

**BUREAU /HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES**  
 Year Ended June 30, 2011

<u>SCHOOL DISTRICT</u>	<u>Renovation IDEA &amp; Tech 4932</u>	<u>Technology 4861</u>	<u>Math &amp; Science 4936</u>	<u>Literacy Challenge 4971</u>	<u>Other Federal Programs 4999</u>	<u>TOTAL</u>
BRADFORD CUSD #1	\$ 23,172	\$ -	\$ -	\$ -	\$ -	\$ 1,018,173
LADD G.S. SD #94	7,455					832,288
STARK COUNTY CUSD #100	38,084	78,835				3,581,589
LEPERTOWN G.S. DIST. #175	4,899					341,138
COLONA ELEM SD #190	49,599					2,544,354
ORION CUSD #223	20,828					3,440,889
GALVA CUSD #224	29,097					3,126,352
ALWOOD CUSD #225	5,018					391,365
ANNAWAN CUSD #226	23,823					1,580,471
CAMBRIDGE CUSD #227	35,709					2,519,762
GENESEO CUSD #228	68,718			300		9,882,727
KEWANEE CUSD #229	126,741			4,893		13,145,310
WETHERSFIELD CUSD #230	35,989					3,164,567
NEPONSET C.C. SD #307	19,659			1,940		452,850
BRUCE DENNISON, REG SUPT #28			357,927			1,680,577
PRINCETON H.S. SD #500	21,618					1,838,820
	<u>\$ 510,409</u>	<u>\$ 78,835</u>	<u>\$ 357,927</u>	<u>\$ 7,133</u>	<u>\$ -</u>	<u>\$ 49,541,232</u>

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2011

<u>Federal Grantor/Pass Through Grantor Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project #</u>	<u>Expenditures 7/1/10-6/30/11</u>
<b>US Dept. of Education</b>			
<b>Rural Education</b>			
Rural Education Achievement Award	84.358	S358A085329	<u>19,906</u>
<b>Pass thru Grantor: IL State Board of Education</b>			
<b>Twenty-First Century Community Learning Centers</b>			
Twenty-First Century Community Learning Centers	84.287	11-4421-07	90,292
Twenty-First Century Community Learning Centers	84.287	10-4421-08	56,855
Twenty-First Century Community Learning Centers	84.287	11-4421-08	171,171
Twenty-First Century Community Learning Centers	84.287	11-4421-10	178,160
Total Twenty-First Century Community Learning Centers			(M) <u>496,478</u>
<b>Reading First State Grants</b>			
Title I - Reading First, Part B SEA Funds	84.357	10-4337-00	<u>8,191</u>
<b>Math &amp; Science Partnerships</b>			
	84.366	11-4936-10	<u>224,491</u>
<b>ARRA - Education Jobs Fund</b>			
ARRA - Education Jobs Fund	84.410	11-4880-93	<u>14,613</u>
<b>Pass thru Grantor: Lee / Ogle Regional Office of Education #47</b>			
<b>Education for Homeless Children and Youth</b>			
McKinney Education for Homeless Children	84.196	11-4920-00	<u>20,191</u>
<b>Title I Part A Cluster</b>			
<b>Pass thru Grantor: Boone / Winnebago Regional Office of Education #4</b>			
<b>Title I - Grants to Local Educational Agencies</b>			
Title I - RESPRO	84.010	06-15	49,407
<b>Pass thru Grantor: IL State Board of Education</b>			
ARRA - Title I - School Improvement	84.389	11-4854-00	(M) 140,000
Total Title I Part A Cluster			<u>189,407</u>
<b>Total US Dept. of Education</b>			<u>973,277</u>
<b>US Dept. of Labor</b>			
<b>Pass thru Grantor: Business Employment Skills Team, Inc.</b>			
<b>Workforce Investment Act (WIA) Youth Activities</b>			
WIA - Bureau County Step Ahead Program	17.259	OCEO #08-681012	<u>30,909</u>
<b>Total Federal Expenditures</b>			<u>\$ 1,004,186</u>

(M) - Program was audited as a major program

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

**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #28**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2011

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**NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Bureau/Henry/Stark Counties Regional Office of Education #28 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2: DESCRIPTION OF MAJOR FEDERAL PROGRAM**

The Title IV – 21<sup>st</sup> Century Community Learning Center program is designed to provide academic enrichment opportunities during the extended school day and extended school year. Through academic enrichment, students will receive support in developing and mastering their reading, writing, and math skills via additional learning opportunities, and homework support.

ARRA-Title I – School Improvement – To account for monies received from the State (federal dollars) to implement programs in schools that have high concentrations of students from families in poverty in order to improve teaching and learning for students most at risk of failing to meet state academic achievement standards.

**NOTE 3: SUB-RECIPIENTS**

None

**NOTE 4: NON-CASH ASSISTANCE**

None

**NOTE 5: AMOUNT OF INSURANCE**

None

**NOTE 6: LOANS OR LOAN GUARANTEES OUTSTANDING**

None