

**STATE OF ILLINOIS  
McHENRY COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 44  
FINANCIAL AUDIT  
FOR THE YEAR ENDED JUNE 30, 2010**

**PERFORMED AS SPECIAL  
ASSISTANT AUDITORS FOR THE  
AUDITOR GENERAL, STATE OF ILLINOIS**

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# MCHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44

## AGENCY OFFICIALS

Regional Superintendent (current)	No current Regional Superintendent
Regional Superintendent (during audit period)	Mr. Eugene T. Goeglein
Assistant Regional Superintendent (current)	No current Assistant Regional Superintendent
Assistant Regional Superintendent (during audit period)	Mr. Joseph R. Williams, Sr.

Agency offices are located at:

McHenry County Government Center  
2200 N. Seminary Avenue (Route 47)  
Woodstock, Illinois 60098

# MCHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44

## FINANCIAL REPORT SUMMARY

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

### AUDITOR'S REPORTS

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

### SUMMARY OF AUDIT FINDINGS

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

### SCHEDULE OF FINDINGS AND RESPONSES

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

-N/A-

#### PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

-N/A-

### EXIT CONFERENCE

An informal exit conference was held in person with agency personnel on August 19, 2010. Attending were Mr. Eugene T. Goeglein, Regional Superintendent and Jeffery L. Johnson, Senior Manager of Wipfli LLP. There were no findings to discuss.

# MCHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44

## FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the McHenry County Regional Office of Education No. 44 was performed by Wipfli LLP.

Based on their audit, the auditors expressed an unqualified opinion on the Agency'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 McHenry County Regional Office of Education No. 44, as of and for the year ended June 30, 2010, which collectively comprise the McHenry County Regional Office of Education No. 44's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the McHenry County Regional Office of Education No. 44'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 McHenry County Regional Office of Education No. 44, as of June 30, 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 11, 2011 on our consideration of the McHenry County Regional Office of Education No. 44'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* on pages 12 through 16 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the McHenry County Regional Office of Education No. 44's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Disbursements to School District Treasurers and Other Entities 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 11, 2011



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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the McHenry County Regional Office of Education No. 44, as of and for the year ended June 30, 2010, which collectively comprise the McHenry County Regional Office of Education No. 44's basic financial statements and have issued our report thereon dated August 11, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the McHenry County Regional Office of Education No. 44's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the McHenry County Regional Office of Education No. 44's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the McHenry County Regional Office of Education No. 44's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

*A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the McHenry County Regional Office of Education No. 44's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

*Wipac LLP*

Dixon, Illinois  
August 11, 2011



**MCHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**SCHEDULE OF FINDINGS (Continued)**  
Year Ended June 30, 2010

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Section II: Financial Statement Findings:

-N/A-

**MCHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS**  
Year Ended June 30, 2010

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**Corrective Action Plan:**

-N/A-

**MCHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
Year Ended June 30, 2010

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<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
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-N/A-

# McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44 MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2010

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As management of McHenry County Regional Office of Education No. 44, we offer the readers of the financial statements this narrative overview and analysis of the financial activities of McHenry County Regional Office of Education No. 44 for the year ended June 30, 2010 as compared to the year ended June 30, 2009.

Management's Discussion and Analysis ("MD&A") is provided at the beginning of the report to provide an overview of McHenry County Regional Office of Education No. 44's financial position at June 30, 2010 and the results of operations for the year ended. This summary should not be taken as a replacement for the audit report, which consists of the financial statements, notes to the financial statements, required and other supplementary information.

## Using This Financial Report

The financial section of this annual report consists of four parts – Independent Auditor's Reports, required supplementary information which includes the MD&A (this section), the basic financial statements, and other supplementary information. The basic financial statements include two kinds of statements that present different views of McHenry County Regional Office of Education No. 44: 1) government-wide financial statements and 2) fund financial statements.

## Government – Wide Financial Statements

The first two statements are government-wide financial statements that provide both short term and long term information about McHenry County Regional Office of Education No. 44's overall financial status, similar to a private sector business. In the government-wide financial statements, activities are shown in one category – governmental activities. McHenry County Regional Office of Education No. 44's basic service is education. These activities are largely financed with local and State revenues.

The Statement of Net Assets presents information on all of McHenry County Regional Office of Education No. 44's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of McHenry County Regional Office of Education No. 44 is improving or deteriorating.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. The financial statements are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when earned and expenditures and liabilities are recognized when the service or goods are received.

# McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44 MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2010

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## Fund Financial Statements

The fund financial statements provide more detailed information about McHenry County Regional Office of Education No. 44's funds – not McHenry County Regional Office of Education No. 44 as a whole. Funds are specific segregations of cash and accounting devices McHenry County Regional Office of Education No. 44 uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law, while others are established to control and manage money for particular purposes or to show that McHenry County Regional Office of Education No. 44 is properly using certain revenues.

McHenry County Regional Office of Education No. 44 maintains individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for all these funds. These funds are considered major funds of McHenry County Regional Office of Education No. 44. Major funds are separately reported while non-major funds are combined into a single aggregated presentation. More detail of the individual revenues and expenditures for non-major funds is presented in the supplementary section of this report.

McHenry County Regional Office of Education No. 44 is not legally required to adopt budgets. McHenry County Regional Office of Education No. 44 is required by Illinois State Board of Education (ISBE), the granting agency, to adopt annual budgets for certain program money received by the Education Fund of the governmental funds. A Budgetary Comparison Schedule has been provided as supplementary information for the Regional Safe School Program, the Career & Technical Ed Improvement program, CTE Perkins program, and Agriculture Education program (2010 - part of the major education fund), which is in compliance with Governmental Accounting Standards Board ("GASB") Statement No. 34.

The last category of funds is the Agency Fund. The Regional Office of Education is the trustee, or agent, for assets that belong to others or are designated to be used for a specific purpose. McHenry County Regional Office of Education No. 44 is responsible for ensuring that the assets reported in these funds are used only for their intended purpose and by those to whom the assets belong. McHenry County Regional Office of Education No. 44's agency activities are reported in a separate Combining Statement of Changes in Assets and Liabilities – Agency Funds and a Combining Statement of Fiduciary Net Assets – Agency Funds. These activities are excluded from the government-wide financial statements because McHenry County Regional Office of Education No. 44 cannot use these assets to finance its operations.



**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2010

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Net assets are summarized in the table below:

<b>Condensed Statement of Net Assets</b>		
	<b>June 30, 2010</b>	<b>June 30, 2009</b>
<b>Assets:</b>		
Current Assets	\$946,198	\$464,824
Capital Assets	-0-	-0-
<b>Total Assets</b>	<b>946,198</b>	<b>464,824</b>
<b>Liabilities:</b>		
Current Liabilities	623,484	148,068
Non-current Liabilities	-0-	-0-
<b>Total Liabilities</b>	<b>623,484</b>	<b>148,068</b>
<b>Net Assets:</b>		
Unrestricted	93,520	96,496
Restricted for Teacher Professional Development	229,194	220,260
<b>Total Net Assets</b>	<b>\$322,714</b>	<b>\$316,756</b>

Current assets consist of cash and cash equivalents of \$376,961 and due from other governments of \$569,237.

As of June 30, 2010, McHenry County Regional Office of Education No. 44 had no outstanding long-term debt.

McHenry County Regional Office of Education No. 44's net assets consist of unrestricted net assets which represent net assets that have not been restricted by an outside party. This includes funds that have been designated for specific uses as well as amounts that are contractually committed for goods and services. Net assets related to the Institute Fund are considered restricted for teacher professional development.

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2010

Revenues, expenditures, and changes in net assets are summarized in the table below:

**Condensed Statement of Activities  
For Fiscal Year Ending:**

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Revenues received:		
Program:		
Operating grants and contributions	\$ 1,583,083	\$ 679,065
General:		
Local sources	180,875	166,443
On-behalf payments	514,341	474,513
Interest	341	2,263
Miscellaneous	<u>50,568</u>	<u>28,381</u>
Total revenue received	<u>2,329,208</u>	<u>1,350,665</u>
Expenditures disbursed:		
Instructional services:		
Purchased services	198,497	187,979
Supplies and materials	12,302	6,833
Payments to other governments	1,598,110	676,358
Administrative services:		
On-behalf payments	<u>514,341</u>	<u>474,513</u>
Total expenditures disbursed	<u>2,323,250</u>	<u>1,345,683</u>
Change in net assets	5,958	4,982
Net assets – beginning	<u>316,756</u>	<u>311,774</u>
Net assets – ending	<u>\$ 322,714</u>	<u>\$ 316,756</u>

Major sources of operating revenues for McHenry County Regional Office of Education No. 44 include: State grants, teacher certificate fees, and fingerprinting fees.

**Management's Analysis of the Regional Office of Education's Overall Financial Position and Results of Operations**

During the year ended June 30, 2010, the Regional Office of Education did not invest any monies in capital assets.

On behalf payments continue to include payments made on behalf of the Regional Office of Education No. 44. These payments include direct expenditures and employee benefits made by McHenry County and salary and employee benefits made by the Illinois State Board of Education.

# McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44 MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2010

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The McHenry County Regional Office of Education did see an increase of \$5,958 in net assets from July 1, 2009 through June 30, 2010. The increase is due to changes in the net assets in the following six funds:

General Fund – change in net assets was \$2,712  
Education Fund – change in net assets was (\$18,810)  
Institute Fund – change in net assets was \$8,934  
Fingerprinting – change in net assets was \$10,126  
General Educational Development – change in net assets was \$1,577  
Non major funds – change in net assets was \$1,419

Other than the Institute Fund, Education Fund, and Fingerprinting Fund, there were no significant changes to revenues or expenditures.

The increase in revenues in the Education fund was a result of additional state grant revenue during fiscal year 2010. This resulted in increased payments to other governments. There were no other significant changes to expenditures.

The revenue increase noted in the Institute Fund was due to the increase of the total number of teaching certificates issued and registered during the same period of time. Expenses were up in the current year due to a large number of teacher workshops in the current year.

Revenue decreased in the Fingerprinting Fund due to fewer requests for Fingerprinting services. Correspondingly, the costs of performing such services also dropped during the year.

## **Factors or Conditions Impacting Future Periods**

On a long-term basis, the McHenry County Regional Office of Education No. 44 is on a stable financial standing and it is anticipated that it will remain stable as there is no apparent legislation which would impact the office in the next year or in the long-term.

Recycling revenue increased as the current grant expired during the year ended June 30, 2010. To date there has been no effort or plans to apply for any other grant for the 2010-2011 school year. This program has been turned over to McHenry County.

The number of applications for administrative/teaching certificates and renewals demonstrated an increase during the current year, as we have moved from a three year renewal cycle with the third year cycle ended June 30, 2007 to a five (5) year cycle, with the first year to begin July 1, 2010. Increases in administrative/teaching certificates will be a result of continued growth in the county.

Lastly, fingerprinting revenue will remain stable, depending on a legal opinion of the General Counsel of the Illinois State Board of Education as to the authority of the Regional Office of Education to continue and/or to expand this service.

## **Contacting the Regional Office of Education No. 44's Financial Management**

This financial report is designed to provide the Regional Office of Education No. 44's citizens, taxpayers, customers, and constituents with a general overview of the Regional Office of Education No. 44's finances and to demonstrate the Regional Office of Education No. 44's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Regional Office of Education No. 44, McHenry County Government Center, 2200 N. Seminary Avenue (Route 47), Woodstock, IL 60098.

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**STATEMENT OF NET ASSETS**  
June 30, 2010

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	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
<b><u>ASSETS</u></b>	
Current Assets:	
Cash and cash equivalents	\$ 376,961
Due from other governments	569,237
Total Current Assets	<u>946,198</u>
<b><u>LIABILITIES</u></b>	
Current Liabilities:	
Accounts payable	23,623
Deferred revenue	12,890
Due to other governments	586,971
Total Current Liabilities	<u>623,484</u>
<b><u>NET ASSETS</u></b>	
Unrestricted	93,520
Restricted for teacher professional development	229,194
Total Net Assets	<u>\$ 322,714</u>

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

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION No. 44**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2010

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	<u>Expenses</u>	<u>Program Revenues</u> <u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u> <u>Primary Governmental Activities</u>
<b>FUNCTIONS/PROGRAMS</b>			
Primary Government:			
Governmental activities:			
Instructional Services:			
Purchased services	\$ 198,497	\$ 2,707	\$ (195,790)
Supplies and materials	12,302	-0-	(12,302)
Payments to other governments	1,598,110	1,580,376	(17,734)
Administrative:			
On-behalf payments	<u>514,341</u>	<u>-0-</u>	<u>(514,341)</u>
 Total Governmental Activities	 <u>\$ 2,323,250</u>	 <u>\$ 1,583,083</u>	 <u>(740,167)</u>
 General Revenues:			
Local sources			180,875
On-behalf payments			514,341
Interest			341
Miscellaneous			<u>50,568</u>
 Total general revenues, special and extraordinary items, and transfers			 <u>746,125</u>
 Change in net assets			 5,958
 Net Assets - Beginning			 <u>316,756</u>
 Net Assets - Ending			 <u>\$ 322,714</u>

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

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
 June 30, 2010

	<u>General Fund</u>	<u>Education</u>	<u>Institute</u>	<u>General Educational Development</u>	<u>Finger- Printing</u>	<u>Other Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>							
Cash and cash equivalents	\$ 17,889	\$ 17,734	\$ 240,712	\$ 38,715	\$ 56,030	\$ 5,881	\$ 376,961
Due from other governments	-0-	223,601	-0-	-0-	-0-	-0-	223,601
Total assets	<u>\$ 17,889</u>	<u>\$ 241,335</u>	<u>\$ 240,712</u>	<u>\$ 38,715</u>	<u>\$ 56,030</u>	<u>\$ 5,881</u>	<u>\$ 600,562</u>
<b><u>LIABILITIES</u></b>							
Accounts payable	\$ -0-	\$ -0-	\$ 11,518	\$ 835	\$ 11,270	\$ -0-	\$ 23,623
Deferred revenue	-0-	-0-	-0-	-0-	12,890	-0-	12,890
Due to other governments	-0-	241,335	-0-	-0-	-0-	-0-	241,335
Total liabilities	<u>-0-</u>	<u>241,335</u>	<u>11,518</u>	<u>835</u>	<u>24,160</u>	<u>-0-</u>	<u>277,848</u>
<b><u>FUND BALANCES</u></b>							
Fund balance, unreserved - Special Revenue	-0-	-0-	229,194	37,880	31,870	5,881	304,825
Fund balance, unreserved - General	17,889	-0-	-0-	-0-	-0-	-0-	17,889
Total fund balances	<u>17,889</u>	<u>-0-</u>	<u>229,194</u>	<u>37,880</u>	<u>31,870</u>	<u>5,881</u>	<u>322,714</u>
Total liabilities and fund balances	<u>\$ 17,889</u>	<u>\$ 241,335</u>	<u>\$ 240,712</u>	<u>\$ 38,715</u>	<u>\$ 56,030</u>	<u>\$ 5,881</u>	<u>\$ 600,562</u>

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

**MCHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**

June 30, 2010

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<b>Total fund balances - governmental funds</b>	\$	322,714
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Because some revenues will not be collected for several months after the Regional Office fiscal year ends, they are not considered "available" revenues in the governmental funds.		345,636
Because some revenues will not be collected for several months after the Regional Office fiscal year ends, corresponding expenses associated with those revenues are not recognized in the governmental funds.		<u>(345,636)</u>
<b>Net assets of governmental activities</b>	<b>\$</b>	<b><u><u>322,714</u></u></b>

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

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Year Ended June 30, 2010

	<u>General Fund</u>	<u>Education</u>	<u>Institute</u>	<u>General Educational Development</u>	<u>Finger- Printing</u>	<u>Other Non-Major Funds</u>	<u>Total</u>
<b>REVENUES</b>							
Local sources							
Teacher certificate fees	\$ -0-	\$ -0-	\$ 53,607	\$ -0-	\$ -0-	\$ -0-	\$ 53,607
GED application fees	-0-	-0-	-0-	26,700	-0-	-0-	26,700
School bus permit and class fees	-0-	-0-	-0-	-0-	-0-	5,776	5,776
Fingerprinting fees	-0-	-0-	-0-	-0-	94,792	-0-	94,792
Interest income	17	22	211	39	48	4	341
Other	5,305	45,258	5	-0-	-0-	-0-	50,568
Total local sources	<u>5,322</u>	<u>45,280</u>	<u>53,823</u>	<u>26,739</u>	<u>94,840</u>	<u>5,780</u>	<u>231,784</u>
State sources	-0-	1,195,641	-0-	-0-	-0-	2,707	1,198,348
Federal sources - ARRA funds	-0-	39,099	-0-	-0-	-0-	-0-	39,099
On-behalf payments	514,341	-0-	-0-	-0-	-0-	-0-	514,341
Total revenues	<u>519,663</u>	<u>1,280,020</u>	<u>53,823</u>	<u>26,739</u>	<u>94,840</u>	<u>8,487</u>	<u>1,983,572</u>
<b>EXPENDITURES</b>							
Purchased services	-0-	42,349	44,356	20,857	84,683	6,252	198,497
Supplies and materials	2,610	4,007	533	4,305	31	816	12,302
Payments to other governments	-0-	1,252,474	-0-	-0-	-0-	-0-	1,252,474
On-behalf payments	514,341	-0-	-0-	-0-	-0-	-0-	514,341
Total expenditures	<u>516,951</u>	<u>1,298,830</u>	<u>44,889</u>	<u>25,162</u>	<u>84,714</u>	<u>7,068</u>	<u>1,977,614</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,712	(18,810)	8,934	1,577	10,126	1,419	5,958
FUND BALANCE, UNRESERVED, BEGINNING OF YEAR	<u>15,177</u>	<u>18,810</u>	<u>220,260</u>	<u>36,303</u>	<u>21,744</u>	<u>4,462</u>	<u>316,756</u>
FUND BALANCE, UNRESERVED, END OF YEAR	<u>\$ 17,889</u>	<u>-0-</u>	<u>\$ 229,194</u>	<u>\$ 37,880</u>	<u>\$ 31,870</u>	<u>\$ 5,881</u>	<u>\$ 322,714</u>

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



**MCHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**

June 30, 2010

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**Net change in fund balances - governmental funds** \$ 5,958

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

Revenues in the Statement of Activities that do not provide current  
financial resources are not reported as revenues in the funds. 345,636

Expenses in the Statement of Activities that are incurred as a result of  
noncurrent financial resources are not reported as expenses in the funds (345,636)

**Change in net assets of governmental activities** \$ 5,958

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

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**STATEMENT OF FIDUCIARY NET ASSETS -**  
**FIDUCIARY FUNDS**  
June 30, 2010

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	<u>Agency Funds</u>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 210,285
Due from other governments	569,237
Total assets	<u>\$ 779,522</u>
<b><u>LIABILITIES</u></b>	
Due to other governments	<u>\$ 779,522</u>

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

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2010

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

The McHenry County Regional Office of Education No. 44 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

GASB Statement No. 34 established a financial reporting model for State and local governments that included the addition of a management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of the internal service activities and the use of account groups to the already required fund financial statements and notes.

Under the terms of grant agreements, McHenry County Regional Office of Education #44 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is McHenry County Regional Office of Education #44's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

**A. Financial Reporting Entity**

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; proving notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before September 30; maintenance of a map and numbering of the McHenry County Regional Office of Education No. 44's districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

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

The McHenry County Regional Office of Education No. 44's reporting entity includes all related organizations for which it exercises oversight responsibility.

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2010

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

**A. Financial Reporting Entity (Continued)**

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.

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

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the ROE. The effect of inter-fund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

The Statement of Net Assets presents information on all of McHenry County Regional Office of Education No 44's assets and liabilities, with the difference between the two reported as net assets. Net assets of the ROE are classified as Unrestricted and Restricted for Teacher Professional Development. Unrestricted Net Assets represent resources used for transactions relating to the general operations of the ROE and may be used at the discretion of management to meet expenses for any purpose. Net Assets Restricted for Teacher Professional Development relate to the Institute Fund.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. 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 met.

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2010

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (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. 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental funds:

**Major Governmental Funds**

**General Fund** – The General Fund is the ROE's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is used to account for various expenditures as approved. The ROE receives cost reimbursements from Cooperative for Employment Education and from member districts.

**Major Special Revenue Funds** – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted by grant agreement, law, or regulation as to their use. The ROE reports the following major special revenue funds:

**Education Fund** – The Education Fund is used to account for the administration of various educational programs and the following funds:

Regional Safe Schools Program (RSSP) – The RSSP consists of State funds received for the administration of the Regional Safe Schools Program (RSSP).

Regional Safe Schools Program - General State Aid (RSSP-GSA) – The RSSP-GSA consists of State funds received for the administration of the Regional Safe Schools Program (RSSP) and Federal Funds received from the American Recovery and Reinvestment Act (ARRA) for, and payment of, expenses of general operations.

Career & Technical Ed Improvement – The Career & Technical Ed Improvement program consists of State funds received for the administration of the Career & Technical Ed Improvement program.

CTE Perkins – The CTE Perkins program consists of State funds received for the administration of the CTE Perkins program.

Agriculture Education – The Agriculture Education program consists of State funds received for the administration of the Agriculture Education program.

Recycling Education – The Recycling Education is used to account for the administration of monies to be used for recycling and source reduction projects at the school districts.

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2010

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Institute Fund** – The Institute Fund is used to account for the stewardship of the assets held in trust for the benefit of the teachers. Fees are collected from registration of teachers' certificates of qualification. These funds are to be used to defray expenses connected with improving the technology necessary for the efficient processing of certificates as well as any expenses incidental to teachers' institutes, conferences, workshops or meetings of a professional nature that are designed to promote professional growth of teachers. All funds generated remain restricted until expended only on the aforementioned activities.

**General Educational Development (GED) Fund** – The GED Fund is used to account for the administration of the General Educational Development Testing Program. Revenues are received from testing and diploma fees.

**Fingerprinting Fund** – The Fingerprinting Fund is used to account for the administration of the Fingerprinting Program. Revenues are received from member school districts and private entities.

**Non-Major Special Revenue Funds** – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted by law or regulation as to their use. The ROE reports the following nonmajor special revenue funds:

**Transportation** – The Transportation Fund is used to account for the administration of the Bus Driver Training Program.

**Supervisory Expense** – The Supervisory Expense Fund is used to account for monies to be used for travel and other expenditures necessary to perform the duty of supervising the school districts under the ROE.

**Fiduciary Funds**

**Agency Funds** – Agency Funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. These include agency funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The ROE reports the following agency funds:

**Distributive** – The Distributive Fund is used to account for assets held as an agent for the Illinois State Board of Education.

**Board of School Trustees** – The Board of School Trustees Fund is used to account for the marketing and disposal of school properties belonging to local education agencies and for clearing of monies used for expenses related to detachment petitions.

**McHenry County Film Library** – The McHenry County Film Library Cooperative is composed of public school districts for the purpose of acquiring and maintaining a visual aids library. The cooperative is governed by a Board of Directors composed of school administrators. The Regional Superintendent is the Secretary-Treasurer and administrative agent of the McHenry County Film Library Cooperative.

**Cooperative for Employment Education** – The Cooperative for Employment Education Fund is used to account for assets held by the Regional Superintendent, in an agency capacity, for a vocational program which provides instruction for individuals in need of special training.

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2010

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

**D. Budgetary System and Accounts**

The ROE did not adopt a formal budget nor is it legally required to do so for the year ended June 30, 2010; subsequently, the accompanying financial statements are not presented on a budgetary basis whereby budget and actual revenues and expenditures are compared; however, Illinois State Board of Education, a granting agent, requires budgets for certain program money. A budgetary comparison schedule is presented for the Regional Safe Schools Program (RSSP), Career & Technical Ed Improvement, CTE Perkins, and Agriculture Education for the year ended June 30, 2010.

**E. Deposits**

Deposits are carried at cost plus accrued interest. The carrying amount of deposits is displayed on the balance sheet simply as cash and cash equivalents and represents cash per bank adjusted for outstanding deposits and disbursements.

**F. Salaries and Expenses**

The salaries of the McHenry County Regional Superintendent of Schools and the Assistant Regional Superintendent are paid by the State of Illinois. All other employees are paid by the County of McHenry. All certified personnel participate in the Teachers' Retirement System of the State of Illinois and all other personnel participate in the Illinois Municipal Retirement Fund. All contributions to these retirement funds and all expenses of the office are also paid by the County of McHenry. Information about these retirement plans can be found in the financial statements of McHenry County.

**G. Intergovernmental Agreement**

On August 7, 1995, McHenry County Regional Office of Education No. 44 entered into an Intergovernmental Agreement executed pursuant to the provisions of the Intergovernmental Cooperation Clause of the Illinois Constitution as well as the provisions of the Intergovernmental Cooperation Act of 1973 and the Illinois Admin. Code Title 23 Section 525.110.

The name of the Educational Service delivery system formed is known as the Kishwaukee Intermediate Delivery System, (KIDS). Membership in KIDS is made up of the following Regional Offices of Education: Boone-Winnebago, DeKalb, and McHenry. The Boone-Winnebago Regional Office of Education has been designated as Administrative Agent.

**NOTE 2 – DEPOSITS**

**A. Deposits**

At June 30, 2010, the carrying amount of the Regional Office of Education No. 44's cash deposits was \$587,246 and the bank balance was \$933,907. Of the total bank balance, all was secured by federal depository insurance. The ROE does not have a policy regarding custodial credit risk for deposits.

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2010

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**NOTE 3 – PENSIONS**

All employees are paid by McHenry County or the State of Illinois, therefore, no provision or funding for pension costs is required.

**NOTE 4 – CAPITAL ASSETS**

All capital assets are purchased by McHenry County; therefore there are no capital assets to report.

**NOTE 5 – DISTRIBUTIVE FUND INTEREST DISPOSITION**

Any interest earned on distributive fund earnings is appropriately allocated to member districts per McHenry County Regional Office of Education No. 44 agreements with these member districts.

**NOTE 6 – ON-BEHALF PAYMENTS**

Total on-behalf payments of \$469,581 are reported as revenues and expenditures of the general fund.

Salary and benefit data for the Regional Superintendent and the Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education. A breakdown of the on-behalf payments for the Regional Superintendent and Assistant Regional Superintendent is as follows:

Regional Superintendent – salary	\$ 100,762
Regional Superintendent – TRS	23,558
Regional Superintendent – benefits	
(Includes State paid insurance)	13,669
Assistant Regional Superintendent – salary	90,686
Assistant Regional Superintendent – TRS	21,202
Assistant Regional Superintendent – benefits	
(Includes State paid insurance)	13,078
State of Illinois on-behalf payments	<u>\$ 262,955</u>

McHenry County provides the Regional Office of Education No. 44 with staff and pays certain expenditures on-behalf of the Regional Office of Education No. 44.

Direct expenditures (includes salaries)	\$ 178,314
Benefits	73,072
McHenry County on-behalf payments	<u>251,386</u>
State of Illinois on-behalf payments	262,955
Total on-behalf payments	<u>\$ 514,341</u>



**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2010

**NOTE 7 – DUE FROM/TO OTHER GOVERNMENTS**

At June 30, 2010, the Regional Office of Education No. 44 had amounts due to/from other governments as follows:

Due from Other Governments:	
Education	
Regional Safe Schools	
Illinois State Board of Education	\$ 211,700
Career & Technical	
Ed Improvement	357,537
Illinois State Board of Education	
	<u>\$ 569,237</u>
Agency Fund	
Distributive Fund	
Regional Safe Schools	
Illinois State Board of Education	\$ 211,700
Career & Technical	
Ed Improvement	
Illinois State Board of Education	357,537
	<u>\$ 569,237</u>
Due to Other Governments:	
Education	
Other entities and local school districts	\$ 569,237
McHenry County	17,734
	<u>\$ 586,971</u>
Agency Fund	
Distributive Fund	
Other entities and local school districts	\$ 571,916
Board of School Trustees	
Other entities and local school districts	144
McHenry County Film Library	
Other entities and local school districts	62,271
Cooperative for Employment Education	
Other entities and local school districts	145,191
	<u>\$ 779,522</u>

**NOTE 8 – NEW PRONOUNCEMENTS**

In 2010, McHenry County Regional Office of Education #44 adopted *Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets, GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, and GASB Statement No. 58, Accounting and Financial Reporting for Chapter 9 Bankruptcies*. The Regional Office of Education implemented these standards during the current year, however there was no significant impact of the implementation of No. 45, No. 51, No. 53 or No. 58 on the financial statements.

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**EDUCATION FUND**  
 June 30, 2010

	<u>Recycling Education</u>	<u>Regional Safe Schools Program (RSSP)</u>	<u>Regional Safe Schools Program - General State Aid (RSSP-GSA)</u>	<u>Career &amp; Technical Ed Improvement</u>	<u>CTE Perkins</u>	<u>Agriculture Education</u>	<u>Total</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 17,734	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 17,734
Due from other governments	-0-	70,564	-0-	153,037	-0-	-0-	223,601
Total assets	<u>\$ 17,734</u>	<u>\$ 70,564</u>	<u>\$ -0-</u>	<u>\$ 153,037</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 241,335</u>
<b>LIABILITIES</b>							
Due to other governments	<u>\$ 17,734</u>	<u>\$ 70,564</u>	<u>\$ -0-</u>	<u>\$ 153,037</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 241,335</u>
<b>FUND BALANCE</b>							
Fund balance, unreserved	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 17,734</u>	<u>\$ 70,564</u>	<u>\$ -0-</u>	<u>\$ 153,037</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 241,335</u>

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2010

	<u>Recycling Education</u>	<u>Regional Safe Schools Program (RSSP)</u>	<u>Regional Safe Schools Program - General State Aid (RSSP-GSA)</u>	<u>Career &amp; Technical Ed Improvement</u>	<u>CTE Perkins</u>	<u>Agriculture Education</u>	<u>Total</u>
<b>REVENUES</b>							
Local sources							
Donations	\$ 45,258	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 45,258
Interest income	22	-0-	-0-	-0-	-0-	-0-	22
State sources	-0-	282,256	175,745	407,037	325,554	5,049	1,195,641
Federal sources - ARRA Funds	-0-	-0-	39,099	-0-	-0-	-0-	39,099
Total revenues	<u>45,280</u>	<u>282,256</u>	<u>214,844</u>	<u>407,037</u>	<u>325,554</u>	<u>5,049</u>	<u>1,280,020</u>
<b>EXPENDITURES</b>							
Purchased services	42,349	-0-	-0-	-0-	-0-	-0-	42,349
Supplies and materials	4,007	-0-	-0-	-0-	-0-	-0-	4,007
Payments to other governments	17,734	282,256	214,844	407,037	325,554	5,049	1,252,474
Total expenditures	<u>64,090</u>	<u>282,256</u>	<u>214,844</u>	<u>407,037</u>	<u>325,554</u>	<u>5,049</u>	<u>1,298,830</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(18,810)	-0-	-0-	-0-	-0-	-0-	(18,810)
<b>FUND BALANCE, UNRESERVED, BEGINNING OF YEAR</b>	<u>18,810</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>18,810</u>
<b>FUND BALANCE, UNRESERVED, END OF YEAR</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2010

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	<b>Regional Safe Schools Program (RSSP)</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Local sources	\$ -0-	\$ -0-	\$ -0-
State sources	423,392	282,256	(141,136)
Federal sources	-0-	-0-	-0-
	<u>423,392</u>	<u>282,256</u>	<u>(141,136)</u>
Total revenues	<u>423,392</u>	<u>282,256</u>	<u>(141,136)</u>
<b>EXPENDITURES</b>			
Salaries	-0-	-0-	-0-
Benefits	-0-	-0-	-0-
Purchased services	-0-	-0-	-0-
Supplies and materials	-0-	-0-	-0-
Payments to other governments	423,392	282,256	141,136
	<u>423,392</u>	<u>282,256</u>	<u>141,136</u>
Total expenditures	<u>423,392</u>	<u>282,256</u>	<u>141,136</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ -0-</u>	<u>-0-</u>	<u>\$ -0-</u>
<b>FUND BALANCE, UNRESERVED, BEGINNING OF YEAR</b>		<u>-0-</u>	
<b>FUND BALANCE, UNRESERVED, END OF YEAR</b>		<u>\$ -0-</u>	

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2010

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	<b>Career &amp; Technical Ed Improvement</b>		<b>Variance Favorable (Unfavorable)</b>
	<b>Budget</b>	<b>Actual</b>	
<b>REVENUES</b>			
Local sources	\$ -0-	\$ -0-	\$ -0-
State sources	611,537	407,037	(204,500)
Federal sources	-0-	-0-	-0-
	611,537	407,037	(204,500)
Total revenues	611,537	407,037	(204,500)
<b>EXPENDITURES</b>			
Salaries	-0-	-0-	-0-
Benefits	-0-	-0-	-0-
Purchased services	-0-	-0-	-0-
Supplies and materials	-0-	-0-	-0-
Payments to other governments	611,537	407,037	204,500
	611,537	407,037	204,500
Total expenditures	611,537	407,037	204,500
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ -0-</b>	<b>-0-</b>	<b>\$ -0-</b>
<b>FUND BALANCE, UNRESERVED, BEGINNING OF YEAR</b>		<b>-0-</b>	
<b>FUND BALANCE, UNRESERVED, END OF YEAR</b>		<b>\$ -0-</b>	

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2010

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	CTE Perkins		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Local sources	\$ -0-	\$ -0-	\$ -0-
State sources	325,554	325,554	-0-
Federal sources	-0-	-0-	-0-
	325,554	325,554	-0-
Total revenues	325,554	325,554	-0-
<b>EXPENDITURES</b>			
Salaries	-0-	-0-	-0-
Benefits	-0-	-0-	-0-
Purchased services	-0-	-0-	-0-
Supplies and materials	-0-	-0-	-0-
Payments to other governments	325,554	325,554	-0-
	325,554	325,554	-0-
Total expenditures	325,554	325,554	-0-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ -0-	-0-	\$ -0-
<b>FUND BALANCE, UNRESERVED, BEGINNING OF YEAR</b>		-0-	
<b>FUND BALANCE, UNRESERVED, END OF YEAR</b>		\$ -0-	

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2010

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	<b>Agriculture Education</b>		<b>Variance Favorable (Unfavorable)</b>
	<b>Budget</b>	<b>Actual</b>	
<b>REVENUES</b>			
Local sources	\$ -0-	\$ -0-	\$ -0-
State sources	5,049	5,049	-0-
Federal sources	-0-	-0-	-0-
	<u>5,049</u>	<u>5,049</u>	<u>-0-</u>
Total revenues	<u>5,049</u>	<u>5,049</u>	<u>-0-</u>
<b>EXPENDITURES</b>			
Salaries	-0-	-0-	-0-
Benefits	-0-	-0-	-0-
Purchased services	-0-	-0-	-0-
Supplies and materials	-0-	-0-	-0-
Payments to other governments	5,049	5,049	-0-
	<u>5,049</u>	<u>5,049</u>	<u>-0-</u>
Total expenditures	<u>5,049</u>	<u>5,049</u>	<u>-0-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ -0-</u>	<u>-0-</u>	<u>\$ -0-</u>
<b>FUND BALANCE, UNRESERVED, BEGINNING OF YEAR</b>		<u>-0-</u>	
<b>FUND BALANCE, UNRESERVED, END OF YEAR</b>		<u>\$ -0-</u>	

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 June 30, 2010

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	<u>Transportation</u>	<u>Supervisory Expense</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	<u>\$ 5,878</u>	<u>\$ 3</u>	<u>\$ 5,881</u>
 <b><u>FUND BALANCE</u></b>			
Fund balance, unreserved	<u>\$ 5,878</u>	<u>\$ 3</u>	<u>\$ 5,881</u>



**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
Year Ended June 30, 2010

	<u>Transportation</u>	<u>Supervisory Expense</u>	<u>Total</u>
<b>REVENUES</b>			
Local sources			
School bus permit and class fees	\$ 5,776	\$ -0-	\$ 5,776
Interest Income	4	-0-	4
State sources	1,707	1,000	2,707
Total revenues	<u>7,487</u>	<u>1,000</u>	<u>8,487</u>
<b>EXPENDITURES</b>			
Purchased services	5,232	1,020	6,252
Supplies and materials	816	-0-	816
Payments to other governments	-0-	-0-	-0-
Total expenditures	<u>6,048</u>	<u>1,020</u>	<u>7,068</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,439	(20)	1,419
FUND BALANCE, UNRESERVED - BEGINNING OF YEAR	<u>4,439</u>	<u>23</u>	<u>4,462</u>
FUND BALANCE, UNRESERVED - END OF YEAR	<u>\$ 5,878</u>	<u>\$ 3</u>	<u>\$ 5,881</u>

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**AGENCY FUNDS**  
 June 30, 2010

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	<u>Distributive Fund</u>	<u>Board of School Trustees</u>	<u>McHenry County Film Library</u>	<u>Cooperative for Employment Education</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,679	\$ 144	\$ 62,271	\$ 145,191	\$ 210,285
Due from other governments	<u>569,237</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>569,237</u>
Total assets	<u>\$ 571,916</u>	<u>\$ 144</u>	<u>\$ 62,271</u>	<u>\$ 145,191</u>	<u>\$ 779,522</u>
<b>LIABILITIES</b>					
Due to other governments	<u>\$ 571,916</u>	<u>\$ 144</u>	<u>\$ 62,271</u>	<u>\$ 145,191</u>	<u>\$ 779,522</u>

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**COMBINING STATEMENT OF CHANGES IN**  
**ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
Year Ended June 30, 2010

	<u>Balance</u> <u>6/30/2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2010</u>
<b><u>DISTRIBUTIVE</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 2,649	\$ 1,583,113	\$ 1,583,083	\$ 2,679
Due from other governments	276,027	569,237	276,027	569,237
Total assets	<u>\$ 278,676</u>	<u>\$ 2,152,350</u>	<u>\$ 1,859,110</u>	<u>\$ 571,916</u>
<b>Liabilities</b>				
Due to other governments	<u>\$ 278,676</u>	<u>\$ 571,916</u>	<u>\$ 278,676</u>	<u>\$ 571,916</u>
<b><u>BOARD OF SCHOOL TRUSTEES</u></b>				
<b>Assets</b>				
Cash	\$ 144	\$ -0-	\$ -0-	\$ 144
<b>Liabilities</b>				
Due to other governments	<u>\$ 144</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 144</u>
<b><u>McHENRY COUNTY FILM LIBRARY</u></b>				
<b>Assets</b>				
Cash	\$ 53,627	\$ 10,091	\$ 1,447	\$ 62,271
<b>Liabilities</b>				
Due to other governments	<u>\$ 53,627</u>	<u>\$ 10,091</u>	<u>\$ 1,447</u>	<u>\$ 62,271</u>
<b><u>COOPERATIVE FOR EMPLOYMENT EDUCATION</u></b>				
<b>Assets</b>				
Cash	\$ 35,492	\$ 669,311	\$ 559,612	\$ 145,191
<b>Liabilities</b>				
Due to other governments	<u>\$ 35,492</u>	<u>\$ 669,311</u>	<u>\$ 559,612</u>	<u>\$ 145,191</u>
<b><u>TOTALS ALL AGENCY FUNDS</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 91,912	\$ 2,262,515	\$ 2,144,142	\$ 210,285
Due from other governments	276,027	569,237	276,027	569,237
Total assets	<u>\$ 367,939</u>	<u>\$ 2,831,752</u>	<u>\$ 2,420,169</u>	<u>\$ 779,522</u>
<b>Liabilities</b>				
Due to other governments	<u>\$ 367,939</u>	<u>\$ 1,251,318</u>	<u>\$ 839,735</u>	<u>\$ 779,522</u>

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**SCHEDULE OF DISBURSEMENTS TO SCHOOL**  
**DISTRICT TREASURERS AND OTHER ENTITIES**  
**DISTRIBUTIVE FUNDS**  
Year Ended June 30, 2010

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<u>Program</u>	<u>McHenry County Co-op</u>	<u>Special Education District of McHenry (SEDOM)</u>	<u>Regional Office of Education No. 44</u>	<u>Totals</u>
RSSP - General State Aid	\$ -0-	\$ 214,844	\$ -0-	\$ 214,844
Career & Technical Ed Improvement	611,537	-0-	-0-	611,537
CTE - Perkins	325,554	-0-	-0-	325,554
Regional Safe Schools	-0-	423,392	-0-	423,392
Agriculture Education	5,049	-0-	-0-	5,049
Supervisory Expense	-0-	-0-	1,000	1,000
School Bus Driver Training	-0-	-0-	1,707	1,707
<b>Totals</b>	<b>\$ 942,140</b>	<b>\$ 638,236</b>	<b>\$ 2,707</b>	<b>\$ 1,583,083</b>