

**State of Illinois  
SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
FINANCIAL AUDIT  
For the Year Ended June 30, 2013**

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

SANGAMON COUNTY  
 REGIONAL OFFICE OF EDUCATION #51  
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SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
JUNE 30, 2013

OFFICIALS

Regional Superintendent  
(Current and during the audit period)

Mr. Jeff Vose

Assistant Regional Superintendent  
(Current and during the audit period)

Ms. Shannon Fehrholz

Office is located at:

200 South Ninth Street  
Room 303 County Complex  
Springfield, IL 62701-1629

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
JUNE 30, 2013

FINANCIAL REPORT SUMMARY

The financial 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 do not contain scope limitations, disclaimers, or other significant nonstandard language.

SUMMARY OF AUDIT FINDINGS

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

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

SUMMARY OF FINDINGS AND RESPONSES

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

2013-001	11a	Controls Over Financial Statement Preparation	Material Weakness
2013-002	11c	Inadequate Internal Control Procedures	Material Weakness

PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

12-02		Uncollateralized Deposits	Material Weakness
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SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
JUNE 30, 2013

FINANCIAL REPORT SUMMARY (Concluded)

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on August 16, 2013. Attending were Jeff Vose, Regional Superintendent; Shawn Kaiser, Fiscal Manager; and Tami Knight, Partner, Kemper CPA Group, LLP. Responses to the recommendations were provided by Jeff Vose, Regional Superintendent, on December 24, 2013.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
JUNE 30, 2013

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Sangamon County Regional Office of Education #51 was performed by Kemper CPA Group LLP, Certified Public Accountants and Consultants.

Based on their audit, the auditors expressed an unmodified opinion on the Regional Office of Education #51's basic financial statements.



## INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

### **Report on the Financial Statements**

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sangamon County Regional Office of Education #51, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Sangamon County Regional Office of Education #51's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining funding information of the Sangamon County Regional Office of Education #51, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Illinois Municipal Retirement Fund Schedule of Funding Progress, and Other Post-Employment Benefits – Health Insurance Schedule of Funding Progress on pages 14a through 14f, 52, and 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sangamon County Regional Office of Education #51's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules 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 and budgetary comparison schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2014 on our consideration of the Sangamon County Regional Office of Education #51'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sangamon County Regional Office of Education #51's internal control over financial reporting and compliance.

*Kemper CPA Group LLP*

*Certified Public Accountants and Consultants*

Mattoon, Illinois  
February 21, 2014

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, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sangamon County Regional Office of Education #51, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Sangamon County Regional Office of Education #51's basic financial statements, and have issued our report thereon dated February 21, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sangamon County Regional Office of Education #51's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Sangamon County Regional Office of Education #51's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sangamon County Regional Office of Education #51's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2013-001 and 2013-002 to be material weaknesses.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sangamon County Regional Office of Education #51'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*.

## Sangamon County Regional Office of Education #51's Responses to Findings

Sangamon County Regional Office of Education #51's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The Sangamon County Regional Office of Education #51's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sangamon County Regional Office of Education #51's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sangamon County Regional Office of Education #51's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kemper CPA Group LLP*

*Certified Public Accountants and Consultants*

Mattoon, Illinois  
February 21, 2014

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2013

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
● Material weaknesses identified?	Yes
● Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2013

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding No. 2013-001 – Controls Over Financial Statement Preparation (Repeated from Finding 12-01, 11-01, 10-01, 09-01, 08-01 & 07-01)**

**Criteria/specific requirement:**

The Sangamon County Regional Office of Education #51 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office of Education #51's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments* (Statement), requires governments to present government-wide and fund financial statements as well as a summary reconciliation of the (a) total governmental funds balances to the net position of governmental activities in the Statement of Net Position, and (b) total change in governmental fund balances to the change in the net position of governmental activities in the Statement of Activities. In addition, the Statement requires information about the government's major and nonmajor funds in the aggregate, to be provided in the fund financial statements.

**Condition:**

The Regional Office of Education #51 does not have sufficient internal controls over the financial reporting process. The Regional Office of Education #51 maintains its accounting records on cash basis accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office of Education #51 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of 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.

During review of the Regional Office of Education #51's financial information prepared by the Regional Office of Education #51, the following was noted:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or unearned revenue. While the Regional Office did maintain records to indicate the balances of accounts receivable, accounts payable, and unearned revenue, not all entries were provided to reconcile the Regional Office of Education #51's grant activity, such as posting grant receivables and unearned revenue.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2013

**SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)**

**Finding No. 2013-001 – Controls Over Financial Statement Preparation (Repeated from Finding 12-01, 11-01, 10-01, 09-01, 08-01 & 07-01) (Concluded)**

**Effect:**

The Regional Office of Education #51 management or its 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 the Regional Office of Education #51 management, the Regional Office did not have adequate funding to hire and/or train their accounting personnel in order to comply with these requirements.

**Auditor's Recommendation:**

As part of internal control over the preparation of financial statements, the Regional Office of Education #51 should implement comprehensive preparation procedures to ensure that the financial statements are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the applicable GAAP, GASB pronouncements, and knowledge of the Regional Office of Education #51's activities and operations.

**Management's Response:**

The Regional Office understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Regional Office of Education staff has a reasonable understanding of the financial statements and can determine that the information in the financial statements is accurate, however, they lack the ability to prepare the notes to the financial statements. The recommendation that "such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office's activities and operations," has been noted by this office. The Regional Office of Education #51 will continue to work with the other Regional Offices of Education to determine the most effective method of ensuring that employees possess the knowledge required to compile the necessary GAAP based financial statements.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2013

**SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)**

**Finding No. 2013-002 – Inadequate Internal Control Procedures**

**Criteria/specific requirement:**

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

**Condition:**

During the audit, we noted the following weaknesses in the Regional Office's internal control system:

- During our testing of controls over the payroll process, we noted 8 employment contracts that were not signed by the employee and the Regional Superintendent.
- During our testing of controls over the payroll process, we noted 15 instances where the Regional Superintendent did not document his review and approval of the direct deposit report for employees that have their pay deposited directly into their bank accounts.
- Some bank reconciliations for the Regional Office's main operating account were not completed in a timely manner. In addition, there was no evidence of management's review and approval of some of the bank reconciliations. We also noted the June 30, 2013 bank reconciliation for the Regional Office's main operating account did not reconcile to the general ledger. There was a \$4,733 variance between the bank reconciliation and accounting records.
- During our journal entry testing, we noted 12 of 17 journal entries tested lacked evidence of review by a member of management. In addition, we noted 4 of 17 journal entries tested lacked supporting documentation.

**Effect:**

Lack of sufficient internal controls over the financial process of the Regional Office could result in unintentional or intentional errors or misappropriations of assets which could be material to the financial statements and may not be detected in a timely manner by employees or management in the normal course of performing their assigned duties.

**Cause:**

According to the Regional Office of Education #51 management, these issues are partially due to numerous illnesses that affected the staff. The absence of these employees caused certain financial duties to be reassigned and designated to other staff who were unfamiliar with all internal control procedures in place.



SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2013

**SECTION II – FINANCIAL STATEMENT FINDINGS (Concluded)**

**Finding No. 2013-002 – Inadequate Internal Control Procedures (Concluded)**

**Auditor's Recommendation:**

- The Regional Office should ensure that all employment contracts are signed by both the employee and the Regional Superintendent.
- The Regional Office should ensure that direct deposit reports are reviewed and approved by the Regional Superintendent or a designee to confirm the accuracy of the reports prior to the ACH transfer to employee's bank accounts being finalized.
- The Regional Office should ensure that bank reconciliations are completed, agree to the general ledger, and are reviewed by management in a timely manner to confirm the accuracy of the reconciliation and timely correction of reconciliation errors noted.
- The Regional Office should ensure that all journal entries are accompanied by supporting documentation and reviewed and approved by someone independent of the general ledger processes.

**Management's Response:**

The Regional Office has recently hired a full-time Finance Manager/Office Manager to assume the responsibilities of payroll. Proper and consistent coordination of duties among office staff will eradicate issues brought forth by the aforementioned causes.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS  
JUNE 30, 2013

**Corrective Action Plan**

**Finding No. 2013-001 – Controls Over Financial Statement Preparation (Repeated from Finding 12-01, 11-01, 10-01, 09-01, 08-01 & 07-01)**

**Condition:**

The Regional Office of Education #51 does not have sufficient internal controls over the financial reporting process. The Regional Office of Education #51 maintains its accounting records on cash basis accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office of Education #51 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of 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.

During review of the Regional Office of Education #51's financial information prepared by the Regional Office of Education #51:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or unearned revenue. While the Regional Office did maintain records to indicate the balances of accounts receivable, accounts payable, and unearned revenue, not all entries were provided to reconcile the Regional Office of Education #51's grant activity, such as posting grant receivables and unearned revenue.

**Plan:**

The Regional Office understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Regional Office of Education staff has a reasonable understanding of the financial statements and can determine that the information in the financial statements is accurate, however, lacks the ability to prepare the notes to the financial statements. The recommendation that "such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office's activities and operations," has been noted by this office. The Regional Office of Education #51 will continue to work with the other Regional Offices of Education to determine the most effective method of ensuring that our employees possess the knowledge required to compile the necessary GAAP based financial statements.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS  
JUNE 30, 2013

**Corrective Action Plan**

**Finding No. 2013-001 – Controls Over Financial Statement Preparation (Repeated from Finding 12-01, 11-01, 10-01, 09-01, 08-01 & 07-01) (Concluded)**

**Anticipated Date of Completion:**

Not Applicable

**Contact Person Responsible for Corrective Action:**

Honorable Jeff Vose, Regional Superintendent of Schools

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS  
JUNE 30, 2013

**Corrective Action Plan**

**Finding No. 2013-002 – Inadequate Internal Control Procedures**

**Condition:**

During the audit, we noted the following weaknesses in the Regional Office's internal control system:

- During our testing of controls over the payroll process, we noted 8 employment contracts that were not signed by the employee and the Regional Superintendent.
- During our testing of controls over the payroll process, we noted 15 instances where the Regional Superintendent did not document his review and approval of the direct deposit report for employees that have their pay deposited directly into their bank accounts.
- Some bank reconciliations for the Regional Office's main operating account were not completed in a timely manner. In addition, there was no evidence of management's review and approval of some of the bank reconciliations. We also noted the June 30, 2013 bank reconciliation for the Regional Office's main operating account did not reconcile to the general ledger. There was a \$4,733 variance between the bank reconciliation and accounting records.
- During our journal entry testing, we noted 12 of 17 journal entries tested lacked evidence of review by a member of management. In addition, we noted 4 of 17 journal entries tested lacked supporting documentation.

**Plan:**

- The Regional Office will ensure that all employment contracts are signed by both the employee and the Regional Superintendent.
- The Regional Office will ensure that direct deposit reports are reviewed for accuracy and approved prior to the ACH transfer to employee's bank accounts being finalized.
- The Regional Office will ensure that bank reconciliations are completed in a timely manner. Management of the Regional Office will also review the bank reconciliation timely to confirm the accuracy of the reconciliation, confirm the reconciliation reconciles to the general ledger, and document their approval.
- The Regional Office will ensure that all journal entries are accompanied by supporting documentation and reviewed and approved by someone independent of the general ledger process.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS  
JUNE 30, 2013

**Corrective Action Plan**

**Finding No. 2013-002 – Inadequate Internal Control Procedures (Concluded)**

**Anticipated Date of Completion:**

December 31, 2013

**Contact Person Responsible for Corrective Action:**

Honorable Jeff Vose, Regional Superintendent of Schools

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2013

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
12-01	Controls Over Financial Statement Preparation	Repeated
12-02	Uncollateralized Deposits	Corrected

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

The Sangamon County Regional Office of Education #51 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, 2013. We encourage readers to consider this information in conjunction with the Agency's financial statements, which follow.

This report will include past year financial activity, along with fiscal year 2013 activity, making comparisons of the financial position and results of operations more meaningful.

**Financial Highlights**

- General Fund revenues decreased slightly from \$1,131,384 in fiscal year 2012 to \$1,120,201 in fiscal year 2013, while the expenditures increased slightly from \$1,281,769 in fiscal year 2012 to \$1,303,040 in fiscal year 2013. The Regional Office experienced a decrease in the General Fund fund balance from \$931,345 in fiscal year 2012 to \$802,144 in fiscal year 2013. This was a result of decreased revenues and increased expenses in General State Aid.
- The Education Fund balance increased from \$(1,705) in fiscal year 2012 to \$61,530 in fiscal year 2013. Education Fund revenues decreased from \$944,268 in fiscal year 2012 to \$868,190 in fiscal year 2013, and expenditures decreased from \$937,552 in fiscal year 2012 to \$849,533 in fiscal year 2013 primarily due to a decline in federal sources.
- Proprietary Fund revenues increased from \$102,029 in fiscal year 2012 to \$108,775 in fiscal year 2013, while the expenditures also increased from \$73,417 in fiscal year 2012 to 123,721 in fiscal year 2013. The Regional Office experienced a decrease in the Proprietary Fund fund balance from \$47,897 in fiscal year 2012 to \$32,951 in fiscal year 2013. This was a result of the increase in the number of workshops offered and the number of background checks completed.

**Using This Annual Report**

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office's financial activities.
- The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the Regional Office as a whole and present an overall view of the Regional Office's finances.
- The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Regional Office's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- Supplementary Information further explains and supports the financial statements with a comparison of the Regional Office's detailed information for each category of funds and also provides detailed information about the non-major funds.



**SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

**Reporting the Agency as a Whole**

The Statement of Net Position and the Statement of Activities

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

The two government-wide statements report the Regional Office's net position and how it has changed. Net position—the difference between the assets and liabilities—are one way to measure the Regional Office's financial health or position.

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

Fund Financial Statements

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 established other funds to control and manage money for particular purposes.

The Regional Office has three types of fund classifications:

- 1) Governmental funds account for a majority of the Regional Office's services. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Regional Office's programs. The Regional 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) Proprietary funds account for services for which the Regional Office charges fees under a cost-reimbursement method. These fees cover the costs of certain services and workshops it provides.

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

**SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

**Reporting the Agency as a Whole (Concluded)**

- 3) Fiduciary funds account for services for which the Regional Office acts as fiscal agent for individuals and private or governmental organizations.

The fiduciary funds' required financial statements include a Statement of Fiduciary Net Position.

A summary reconciliation between the government-wide financial statements and the fund financial statements is included in the basic financial statements.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of financial position. The Regional Office's net position at the end of fiscal year 2012 totaled \$1,227,977. At the end of fiscal year 2013, the net position was \$1,135,620. The analysis that follows provides a summary of the Regional Office's net position at June 30, 2013 and 2012.

**CONDENSED STATEMENT OF NET POSITION  
June 30, 2013 and 2012**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>						
Current assets	\$ 1,287,090	\$ 1,370,510	\$ 30,362	\$ 51,184	\$ 1,317,452	\$ 1,421,694
Capital assets, net of depreciation	<u>5,572</u>	<u>7,554</u>	<u>3,001</u>	<u>5,384</u>	<u>8,573</u>	<u>12,938</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,292,662</u>	<u>\$ 1,378,064</u>	<u>\$ 33,363</u>	<u>\$ 56,568</u>	<u>\$ 1,326,025</u>	<u>\$ 1,434,632</u>
<b>LIABILITIES</b>						
Current liabilities	<u>\$ 189,993</u>	<u>\$ 197,964</u>	<u>\$ 412</u>	<u>\$ 8,671</u>	<u>\$ 190,405</u>	<u>\$ 206,635</u>
<b>TOTAL LIABILITIES</b>	<u>189,993</u>	<u>197,964</u>	<u>412</u>	<u>8,671</u>	<u>190,405</u>	<u>206,635</u>
<b>NET POSITION</b>						
Investments in capital assets, net of related debt	5,572	7,554	3,001	5,384	8,573	12,938
Unrestricted	802,144	909,959	29,950	42,513	832,094	952,472
Restricted for educational purposes	<u>294,953</u>	<u>262,587</u>	<u>-</u>	<u>-</u>	<u>294,953</u>	<u>262,587</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,102,669</u>	<u>\$ 1,180,100</u>	<u>\$ 32,951</u>	<u>\$ 47,897</u>	<u>\$ 1,135,620</u>	<u>\$ 1,227,997</u>

**SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

**Government-Wide Financial Analysis (Continued)**

The Regional Office's net position decreased by \$92,377 from fiscal year 2012 to fiscal year 2013.

The following analysis shows the changes in net position for the years ended June 30, 2013 and 2012.

**CHANGES IN NET POSITION  
For the Years Ended June 30, 2013 and 2012**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ -	\$ -	\$ 109,216	\$ 102,029	\$ 109,216	\$ 102,029
Operating grants & contributions	850,632	1,176,322	-	-	850,632	1,176,322
<b>General Revenues:</b>						
Transfers in (out)	441	(27)	(441)	27	-	-
Local sources	981,817	978,456	-	-	981,817	978,456
State sources	425,602	147,655	-	-	425,602	147,655
Federal sources	-	-	-	-	-	-
On-behalf payments	622,743	582,595	-	-	622,743	582,595
Investment income	4,898	8,288	-	-	4,898	8,288
Total revenues	<u>2,886,133</u>	<u>2,893,289</u>	<u>108,775</u>	<u>102,056</u>	<u>2,994,908</u>	<u>2,995,345</u>
<b>Expenses:</b>						
Salaries and benefits	1,596,046	1,633,018	41,941	31,701	1,637,987	1,664,719
Purchased services	617,260	612,364	77,119	38,220	694,379	650,584
Supplies and materials	118,566	126,953	1,463	353	120,029	127,306
Depreciation	3,081	4,995	2,383	2,383	5,464	7,378
Other objects	5,472	39,560	815	760	6,287	40,320
Payments to other governments	396	10,475	-	-	396	10,475
On-behalf payments	<u>622,743</u>	<u>582,595</u>	<u>-</u>	<u>-</u>	<u>622,743</u>	<u>582,595</u>
Total expenses	<u>2,963,564</u>	<u>3,009,960</u>	<u>123,721</u>	<u>73,417</u>	<u>3,087,285</u>	<u>3,083,377</u>
Change in net position	<u>(77,431)</u>	<u>(116,671)</u>	<u>(14,946)</u>	<u>28,639</u>	<u>(92,377)</u>	<u>(88,032)</u>
Net Position – beginning	<u>1,180,100</u>	<u>1,296,771</u>	<u>47,897</u>	<u>19,258</u>	<u>1,227,997</u>	<u>1,316,029</u>
Net Position – ending	<u>\$ 1,102,669</u>	<u>\$ 1,180,100</u>	<u>\$ 32,951</u>	<u>\$ 47,897</u>	<u>\$ 1,135,620</u>	<u>\$ 1,227,997</u>

**SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

**Government-Wide Financial Analysis (Concluded)**

**Governmental Activities**

Revenues for governmental activities were \$2,886,133 and expenses were \$2,963,564. The decrease in revenues and expenses is due to across the board reductions in operating grants and local and state revenue sources.

**Financial Analysis of the Regional Office Funds**

As previously noted, the Regional Office uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office's governmental funds reported combined fund balances of \$1,091,461.

**Governmental Fund Highlights**

- County support for the Regional Office remained level from 2012 to 2013.
- Although grant funding decreased due to budget constraints, the Regional Office was successful in obtaining continued funding for the Truants Alternative and Optional Education and the Regional Safe Schools Programs.
- The State of Illinois financial deficit continues to reflect negatively in the ability of the Regional Office to obtain grants necessary for stable or continued growth; however, the Regional Office continues to cooperate with the Illinois State Board of Education and other agencies to procure funding for education programs.

**Proprietary Fund Highlights**

Revenues for the Regional Office's business-type activities and expenses combined for a total net position balance of \$32,951. The Regional Office is committed to providing quality professional development opportunities for Sangamon County teachers, at a reasonable cost, while maintaining the integrity of the fund. The SDC Workshop Fund is designed to be self-supporting by setting fee schedules that will support expenses incurred to provide professional development workshops for area teachers. Fees will be adjusted from year to year to parallel fund activity. The Regional Office also continues to provide background checks/fingerprinting services for new hires and all substitute teachers in the County schools. This activity is recorded in the Background Check Fund.

**Budgetary Highlights**

The Regional Office annually adopts budgets for several funds when required by the granting agency. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the County Board members for their approval. The Sangamon County Office Operations Budget covers a fiscal year of December 1 through November 30. All grant budgets are prepared by the Regional Office 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 Regional Office's actual financial activity are included in the supplementary information of this report.

**SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

**Capital Assets**

Capital assets of the Regional Office include office equipment, computers, audio-visual equipment, and office furniture. The Regional Office maintains an inventory of capital assets which have been accumulated over time. The Regional Office's ending net capital asset balance for fiscal year 2013 is \$8,573, which is the total original cost of the capital assets less accumulated depreciation. More detailed information about capital assets is available in Note 9 to the financial statements.

**Economic Factors and Next Year's Budget**

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

- The interest rate on investments remains low and will continue to impact interest earned but the Regional Office increased investment return by changing banking institutions.
- Several grants have remained near or at previous funding levels, including the School Services funding, which provides professional development opportunities to Sangamon County teachers.
- The State of Illinois financial crisis results in cuts to State programs and significant delays in payments.
- County Board support of the Regional Office will remain consistent for fiscal year 2014.

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

This financial report is designed to provide the Regional Office's citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent of the Sangamon County Regional Office of Education #51, at 200 South 9<sup>th</sup> St., Room 303, Springfield, IL 62701.

## BASIC FINANCIAL STATEMENTS

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
STATEMENT OF NET POSITION  
JUNE 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 1,121,609	\$ 28,384	\$ 1,149,993
Due from other governments:			
Local	54,207	1,978	56,185
State	83,804	-	83,804
Federal	27,470	-	27,470
Total Current Assets	<u>1,287,090</u>	<u>30,362</u>	<u>1,317,452</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	5,572	3,001	8,573
Total Noncurrent Assets	<u>5,572</u>	<u>3,001</u>	<u>8,573</u>
TOTAL ASSETS	<u>1,292,662</u>	<u>33,363</u>	<u>1,326,025</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	55,589	193	55,782
Accrued payroll and benefits	81,213	219	81,432
Unearned revenue	53,191	-	53,191
Total Current Liabilities	<u>189,993</u>	<u>412</u>	<u>190,405</u>
<b>NET POSTION</b>			
Invested in capital assets	5,572	3,001	8,573
Restricted for educational purposes	294,953	-	294,953
Unrestricted	802,144	29,950	832,094
TOTAL NET POSITION	<u>\$ 1,102,669</u>	<u>\$ 32,951</u>	<u>\$ 1,135,620</u>

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

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013

FUNCTIONS/PROGRAMS	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental Activities:						
Instructional Services						
Salaries and benefits	\$ 1,596,046	\$ -	\$ 751,011	\$ (845,035)	\$ -	\$ (845,035)
Purchased services	617,260	-	82,030	(535,230)	-	(535,230)
Supplies and materials	118,566	-	16,064	(102,502)	-	(102,502)
Other objects	5,472	-	32	(5,440)	-	(5,440)
Depreciation expense	3,081	-	-	(3,081)	-	(3,081)
Capital outlay	-	-	1,099	1,099	-	1,099
Payments to other governments	396	-	396	-	-	-
Administrative:						
On-behalf payments - Local	199,855	-	-	(199,855)	-	(199,855)
On-behalf payments - State	422,888	-	-	(422,888)	-	(422,888)
Total Governmental Activities	<u>2,963,564</u>	<u>-</u>	<u>850,632</u>	<u>(2,112,932)</u>	<u>-</u>	<u>(2,112,932)</u>
Business-Type Activities:						
Service fees	123,721	109,216	-	-	(14,505)	(14,505)
Total Business-Type Activities	<u>123,721</u>	<u>109,216</u>	<u>-</u>	<u>-</u>	<u>(14,505)</u>	<u>(14,505)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 3,087,285</u>	<u>\$ 109,216</u>	<u>\$ 850,632</u>	<u>(2,112,932)</u>	<u>(14,505)</u>	<u>(2,127,437)</u>
GENERAL REVENUES:						
Local sources				981,817	-	981,817
State sources				425,602	-	425,602
On-behalf payments - Local				199,855	-	199,855
On-behalf payments - State				422,888	-	422,888
Transfers in (out)				441	(441)	-
Investment earnings				4,898	-	4,898
Total General Revenues				<u>2,035,501</u>	<u>(441)</u>	<u>2,035,060</u>
CHANGE IN NET POSITION				(77,431)	(14,946)	(92,377)
NET POSITION - BEGINNING				<u>1,180,100</u>	<u>47,897</u>	<u>1,227,997</u>
NET POSITION - ENDING				<u>\$ 1,102,669</u>	<u>\$ 32,951</u>	<u>\$ 1,135,620</u>

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



SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013

	General Fund	Institute	Education Fund	Cook County General Educational Development	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 793,939	\$ 250,380	\$ 63,281	\$ 1,196	\$ 12,813	\$ -	\$ 1,121,609
Due from other funds	60,849	-	-	-	-	(60,849)	-
Due from other governments:							
Local	18,835	-	12,865	22,507	-	-	54,207
State	-	-	83,804	-	-	-	83,804
Federal	-	-	27,470	-	-	-	27,470
<b>TOTAL ASSETS</b>	<b>\$ 873,623</b>	<b>\$ 250,380</b>	<b>\$ 187,420</b>	<b>\$ 23,703</b>	<b>\$ 12,813</b>	<b>\$ (60,849)</b>	<b>\$ 1,287,090</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 27,192	\$ 24	\$ 9,026	\$ 19,080	\$ 267	\$ -	\$ 55,589
Accrued payroll and benefits	44,287	-	36,926	-	-	-	81,213
Due to other funds	-	-	21,111	-	39,738	(60,849)	-
Unearned revenue	-	-	58,827	-	-	-	58,827
<b>Total Liabilities</b>	<b>71,479</b>	<b>24</b>	<b>125,890</b>	<b>19,080</b>	<b>40,005</b>	<b>(60,849)</b>	<b>195,629</b>
<b>FUND BALANCE (DEFICIT)</b>							
Restricted	-	250,356	67,166	4,623	12,813	-	334,958
Assigned	526,578	-	-	-	-	-	526,578
Unassigned	275,566	-	(5,636)	-	(40,005)	-	229,925
<b>Total Fund Balance (Deficit)</b>	<b>802,144</b>	<b>250,356</b>	<b>61,530</b>	<b>4,623</b>	<b>(27,192)</b>	<b>-</b>	<b>1,091,461</b>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 873,623</b>	<b>\$ 250,380</b>	<b>\$ 187,420</b>	<b>\$ 23,703</b>	<b>\$ 12,813</b>	<b>\$ (60,849)</b>	<b>\$ 1,287,090</b>

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

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
JUNE 30, 2013

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS \$ 1,091,461

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

Capital assets used in governmental activities are not  
financial resources and, therefore, are not reported in the funds. 5,572

Some revenues will not be collected for several months after the Regional  
Office's fiscal year ends, they are not considered "available" revenues  
and are deferred in the governmental funds.

FY13 revenue deferred 5,636

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,102,669

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

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Institute	Education Fund	Cook County General Education Development	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
<b>REVENUES</b>							
Local sources	\$ 93,473	\$ 87,160	\$ 3,017	\$ 767,927	\$ 30,240	\$ -	\$ 981,817
On-behalf payments - Local	199,855	-	-	-	-	-	199,855
State sources	403,985	-	623,693	-	1,440	-	1,029,118
On-behalf payments - State	422,888	-	-	-	-	-	422,888
Federal sources	-	-	241,480	-	-	-	241,480
<b>Total Revenues</b>	<b>1,120,201</b>	<b>87,160</b>	<b>868,190</b>	<b>767,927</b>	<b>31,680</b>	<b>-</b>	<b>2,875,158</b>
<b>EXPENDITURES</b>							
Instructional Services:							
Salaries and benefits	474,971	13,733	751,011	319,859	36,472	-	1,596,046
Purchased services	186,410	61,382	82,030	276,716	10,722	-	617,260
Supplies and materials	16,334	706	16,064	78,887	6,575	-	118,566
Other objects	2,582	-	32	2,858	-	-	5,472
Payments to other governments	-	-	396	-	-	-	396
On-behalf payments - Local	199,855	-	-	-	-	-	199,855
On-behalf payments - State	422,888	-	-	-	-	-	422,888
Capital outlay	-	1,099	-	-	-	-	1,099
<b>Total Expenditures</b>	<b>1,303,040</b>	<b>76,920</b>	<b>849,533</b>	<b>678,320</b>	<b>53,769</b>	<b>-</b>	<b>2,961,582</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(182,839)</b>	<b>10,240</b>	<b>18,657</b>	<b>89,607</b>	<b>(22,089)</b>	<b>-</b>	<b>(86,424)</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	120,578	-	74,397	-	5,123	(199,657)	441
Transfers out	(70,740)	-	(30,032)	(98,885)	-	199,657	-
Interest	3,800	885	213	-	-	-	4,898
<b>Total Other Financing Sources (Uses)</b>	<b>53,638</b>	<b>885</b>	<b>44,578</b>	<b>(98,885)</b>	<b>5,123</b>	<b>-</b>	<b>5,339</b>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	<b>(129,201)</b>	<b>11,125</b>	<b>63,235</b>	<b>(9,278)</b>	<b>(16,966)</b>	<b>-</b>	<b>(81,085)</b>
<b>FUND BALANCE (DEFICIT) - BEGINNING</b>	<b>931,345</b>	<b>239,231</b>	<b>(1,705)</b>	<b>13,901</b>	<b>(10,226)</b>	<b>-</b>	<b>1,172,546</b>
<b>FUND BALANCE (DEFICIT) - ENDING</b>	<b>\$ 802,144</b>	<b>\$ 250,356</b>	<b>\$ 61,530</b>	<b>\$ 4,623</b>	<b>\$ (27,192)</b>	<b>\$ -</b>	<b>\$ 1,091,461</b>

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

SANGAMON COUNTY  
 REGIONAL OFFICE OF EDUCATION #51  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ (81,085)

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

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

Capital outlay	\$ 1,099	
Depreciation expense	<u>(3,081)</u>	(1,982)

Some revenues will not be collected for several months after the Regional Office's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.

FY13 revenue deferred	<u>5,636</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (77,431)</u></u>
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The notes to the financial statements are an integral part of this statement.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2013

	Business-Type Activities - Enterprise Funds	
	Nonmajor Enterprise Funds	Total
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 28,384	\$ 28,384
Due from other governments:		
Local	1,978	1,978
Total current assets	30,362	30,362
Noncurrent assets:		
Capital assets, being depreciated, net	3,001	3,001
Total noncurrent assets	3,001	3,001
TOTAL ASSETS	33,363	33,363
<b>LIABILITIES</b>		
Accounts payable	193	193
Accrued payroll and benefits	219	219
TOTAL LIABILITIES	412	412
<b>NET POSITION</b>		
Invested in capital assets	3,001	3,001
Unrestricted	29,950	29,950
TOTAL NET POSITION	\$ 32,951	\$ 32,951

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

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds	
	Nonmajor Enterprise Funds	Total
OPERATING REVENUES		
Charges for services	\$ 109,216	\$ 109,216
Total Operating Revenues	109,216	109,216
OPERATING EXPENSES		
Salaries and benefits	41,941	41,941
Purchased services	77,119	77,119
Supplies and materials	1,463	1,463
Other objects	815	815
Depreciation expense	2,383	2,383
Total Operating Expenses	123,721	123,721
OPERATING LOSS	(14,505)	(14,505)
NONOPERATING EXPENSE		
Transfers out	(441)	(441)
Total Nonoperating Expense	(441)	(441)
CHANGE IN NET POSITION	(14,946)	(14,946)
TOTAL NET POSITION - BEGINNING	47,897	47,897
TOTAL NET POSITION - ENDING	\$ 32,951	\$ 32,951

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

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds	
	Nonmajor Enterprise Funds	Totals
Cash flows from operating activities:		
Receipts from customers	\$ 103,433	\$ 103,433
Payments to suppliers and providers of goods and services	(81,126)	(81,126)
Payments to employees	(41,722)	(41,722)
Net cash used for operating activities	(19,415)	(19,415)
Cash flows from noncapital financing activities:		
Cash transfers to other funds	(441)	(441)
Net cash used for noncapital financing activities	(441)	(441)
Net decrease in cash and cash equivalents	(19,856)	(19,856)
Cash and cash equivalents - Beginning	48,240	48,240
Cash and cash equivalents - Ending	\$ 28,384	\$ 28,384
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (14,505)	\$ (14,505)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Decrease in due from other governments	966	966
Depreciation expense	2,383	2,383
Decrease in accounts payable	(1,729)	(1,729)
Increase in accrued payroll and benefits	219	219
Decrease in deferred revenue	(6,749)	(6,749)
Net cash provided by (used for) operating activities	\$ (19,415)	\$ (19,415)

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

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2013

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 137,050
TOTAL ASSETS	<u>\$ 137,050</u>
LIABILITIES	
Due to other governments	\$ 137,050
TOTAL LIABILITIES	<u>\$ 137,050</u>

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



SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Sangamon County Regional Office of Education #51 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2013, the Regional Office of Education #51 implemented Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*; and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The Regional Office of Education #51 implemented these standards during the current year; however, GASB Statement No. 60 and GASB Statement No. 61 had no impact on the financial statements. The implementation of GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

A. DATE OF MANAGEMENT’S REVIEW

Management has evaluated subsequent events through February 21, 2014, the date when the financial statements were available to be issued.

B. 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; to evaluate the schools in the region; to examine evidence of indebtedness; to file and keep the returns of elections required to be returned to the Regional Superintendent’s office; and to file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #51’s districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; to 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.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**B. FINANCIAL REPORTING ENTITY (Concluded)**

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

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

For the period ended June 30, 2013, the Regional Office of Education #51 applied for, received, and administered numerous state and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #51. Such activities are reported as a single special revenue fund (Education Fund).

**C. SCOPE OF THE REPORTING ENTITY**

The Regional Office of Education #51's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #51 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education #51 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #51 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #51 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #51 being considered a component unit of the entity.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #51's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by state and federal grants and other intergovernmental revenues. The Regional Office of Education has two business-type activities that rely on fees and charges for support.

The Regional Office of Education #51's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education #51 accompanied by a total column. These statements are presented on an "economic resources" measurement focus as prescribed by GASB Statement No. 34. All of the Regional Office of Education #51's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges for services, and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as payables, receivables, and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The purpose of interfund borrowing and permanent transfers is to cover temporary or permanent shortfalls in cash flow within grant programs and funds.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**E. PROPRIETARY FUND FINANCIAL STATEMENTS**

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

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

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

**F. GOVERNMENTAL FUND FINANCIAL STATEMENTS**

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

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

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #51; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenue at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

Under the terms of grant agreements, Sangamon County Regional Office of Education #51 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 the Regional Office of Education #51’s policy to first apply restricted funds to such programs, then unrestricted funds. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned funds if any.

H. FUND ACCOUNTING

The Regional Office of Education #51 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education #51 uses governmental, proprietary, and fiduciary funds.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS

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

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: (1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and (2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education #51 has presented all major funds that met the above qualifications.

The Regional Office of Education #51 reports the following major governmental funds:

General Fund – The General Fund is the operating fund of the Regional Office of Education #51. It is used to account for all financial resources in the Region except those required to be accounted and reported for in other funds. General Funds include the following:

Local – These funds are generated through interest and fees earned for providing various administrative functions for entities including the Illinois State Board of Education, the Technology Conference and Illinois Special Education Administrators and are used to assist in providing for the needs of the Staff Development Center (SDC) not funded through State or county dollars.

Administrative Discretionary – These funds are generated through interest and fees earned for providing various administrative functions for entities including the Illinois State Board of Education, the Technology Conference and Illinois Special Education Administrators and are used to assist in providing for the needs of the Regional Office not funded through State or county dollars.

Continuum of Learning – The Regional Office of Education has contracted with Springfield Community Federation in an effort to ascertain how many children are entering the public school system. This information will then be used to help individuals determine donation arrangements.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund (Concluded)

General State Aid – Truants Alternative Optional Education Program – This fund accounts for General State Aid used for the general operations of the Truants Alternative Optional Education Program.

General State Aid – Regional Safe Schools – This fund accounts for General State Aid used for the general operations of the Regional Safe Schools program.

General Education Development (GED) Holistic Scoring – The Regional Office provides scoring services for the written essay portion of the GED tests.

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

Institute Fund – The Teacher Institute Fund accounts for teacher registration fees. 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 teacher institutes, workshops, or meetings of a professional nature that are designed to promote the professional growth of teachers. All funds generated remain restricted until expended only on the aforementioned activities.

Cook County General Education Development (GED) – The Regional Office acts as the fiscal agent for the General Education Development testing program for the Cook County area. The Regional Office maintains an office and support staff in the Cook County area.

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 as follows:

Regional Safe Schools – This program provides activities for disruptive students who are eligible for suspension or expulsion. The activities provide individually designed curriculum, social skills training, career exploration and work experience opportunities, and opportunities to work toward re-entry into the traditional programs, if appropriate.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Major Special Revenue Funds (Continued)

Education Fund (Continued)

Area III – Homeless Liaison Project – This grant provides funds for providing information to schools, community members, and government entities about the educational rights of homeless students.

Sangamon County Truants Alternative Optional Education Program (TAOEP) – This program is devoted to ensuring that each referred at-risk student will be provided with individualized educational and supplemental services that meet the holistic needs of the student in the pursuit of their educational development. TAOEP offerings include: identification of at-risk students and dropouts, truancy intervention services, academic intervention and remediation, parental skills development, and network with community agencies and businesses.

Best Foot Forward – This program represents a vendor relationship with the Illinois Department of Child and Family Services to advocate for all community members education by providing positive leadership performing regulatory functions, coordinating and delivering state and local services, and disseminating information for educators, school districts, and the community.

Illinois Department of Public Health (IDPH) Dental Sealant – This program, funded by the Illinois Department of Public Health grant, provides funding to assist in providing a tooth sealant program for low-income students in Sangamon County.

State and Federal School Breakfast and Lunch – This program is designed to provide breakfast and lunch free or at reduced prices to eligible students, as determined in accordance with federal and state guidelines, as a healthy start to the school day to enhance the student's learning abilities. All meals provided must meet U.S. Department of Agriculture requirements for servings and nutrition.

System of Support – This program provides professional development activities to schools that are on Illinois's Academic Watch List. To be on the list, students have not made adequate yearly progress for at least two years. The funding sources for this grant are Title I, Title II, and State appropriated monies.



SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Major Special Revenue Funds (Continued)

Education Fund (Continued)

Math and Science Initiatives – The Regional Office of Education contracts with ISBE to provide staff support for statewide education initiatives supported by the Illinois Mathematics and Science Partnership Program and Enhancing Education Through Technology program as well as other ISBE initiatives.

Miscellaneous Federal Programs (Title II – Teacher Quality and Title IV – Safe and Drug Free Schools) – These programs account for the proceeds of a federal grant passed through the Illinois State Board of Education to provide alcohol and drug education and to improve teacher effectiveness in the classroom.

Learn and Serve America – These funds are awarded to support service-learning programs specifically for at-risk populations of suspended or expelled students participating in the Regional Safe Schools Program.

Principal Preparation and Evaluation – This program is designed to assist with principal programs and the approval process of such, provide assistance and support services to Division personnel including technical support and training, and work with other ISBE personnel on educator preparation matters.

ISBE Initiatives – The Regional Office of Education contracts with ISBE to provide staff support for Statewide education initiatives supported by the Illinois Mathematics and Science Partnership Program and Enhancing Education Through Technology program as well as other ISBE initiatives.

Reading Initiative – This fund provides for consultant support for initiatives necessitated by the ARRA and the No Child Left Behind Act. The consultants read and evaluate the quality of NCLB and ARRA applications for approval or create review checklist(s) for needed initial application and amendments; provide technical assistance to Illinois schools through written and verbal communication relating to NCLB and ARRA applications; enforce Title I and state accountability requirements and review federal and state fiscal and programmatic documentation to determine implications for schools and districts.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Concluded)

Major Special Revenue Funds (Concluded)

Education Fund (Concluded)

ROE/ISC Operations – These funds are provided by the Illinois State Board of Education through a budget application process to Regional Offices to provide staff development to district schools and teachers. The SDC offers Administrator Academy activities, School Improvement initiatives, and staff development opportunities in the areas of reading, math, science, and technology. Monies are used for overhead costs and salaries of employees at the Staff Development Center.

The Regional Office of Education #51 reports the following nonmajor governmental funds:

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

General Education Development (GED) Certificate – Illinois law requires the Regional Superintendent of Schools of each county/counties to administer the GED test. The GED tests are given at Lanphier High School once a month. Testing fees provide for testing materials and staff salaries.

Bus Driver Training – Experienced drivers must take a two-hour refresher course annually, while all new drivers must take an eight-hour course in bus driver safety and first aid, prescribed by the Illinois State Board of Education and administered by the Regional Office.

Supervisory Expenses – This fund was developed by the General Assembly to help support the day-to-day activities of the Regional Superintendent.

PROPRIETARY FUNDS

Proprietary Funds – The Proprietary Funds account for revenues and expenses related to services provided to organizations inside the region on a cost-reimbursement basis. The Regional Office of Education #51 reports the following proprietary funds:

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

PROPRIETARY FUNDS (Concluded)

Proprietary Funds (Concluded)

SDC Workshop Fund – This fund is an enterprise fund established to track revenues received and expenses incurred in offering professional development workshops for teachers and administrators in Sangamon County.

Background Checks – The Regional Office of Education provides background checks/fingerprinting to all schools in Sangamon County for new hires. The schools send requests to the Regional Office of Education, who forwards background check information to the Illinois State Police database. The fee for the background check and/or fingerprinting is paid by each school district.

FIDUCIARY FUNDS

Agency Funds – Agency Funds are used to account for assets held by the Regional Office of Education #51 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds include the following:

Bilingual Directors Annual Meeting – The Regional Office of Education acts as the fiscal agent for this annual meeting of Bilingual Directors, hosted by ISBE.

Illinois Education and Technology Conference – The Regional Office acts as the fiscal agent for this annual conference, which provides an opportunity to discover how educators can be an active part of the information revolution. Funding is derived from registration fees, vendor fees, and sponsorship fees.

Sangamon County Schoolmasters – The Schoolmasters is an organization of all Sangamon County superintendents and school directors. Membership fees are used to provide meetings and seminars for disseminating current information on administration issues.

Special Education Non-Public Conference – The Regional Office acts as the fiscal agent for the Annual Conference on Best Practices and Guidelines for Non-Public Special Education Programs hosted by the Illinois State Board of Education.

Sangamon County Learning Academy – This is a self-supporting account that provides services for students at the Sangamon County Learning Academy. Funds are derived from lunch money and registration fees.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Concluded)

FIDUCIARY FUNDS (Concluded)

Those Who Excel – The ROE acts as the fiscal agent for the annual Teacher of the Year banquet hosted by the Illinois State Board of Education.

I. 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 position that is not available to be spent, either short term or long term, due to either their form or legal restrictions. The Regional Office of Education #51 has no nonspendable fund balances.

Restricted Fund Balance – The portion of a governmental fund’s net position that is subject to external enforceable legal restrictions. The following accounts’ fund balances are restricted by grant agreements or contracts: State and Federal School Breakfast and Lunch, Principal Preparation and Evaluation, and Reading Initiative. The following funds are restricted by Illinois Statute: Institute Fund, Cook County General Educational Development, Bus Driver Training, and Supervisory Expenses funds.

Committed Fund Balance – The portion of a governmental fund’s net position with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Regional Office of Education #51 has no committed fund balances.

Assigned Fund Balance – The portion of a governmental fund’s net position for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following General Fund accounts have assigned fund balances: General State Aid – Truants Alternative Optional Education Program and General State Aid – Regional Safe Schools.

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following General Fund accounts have unassigned fund balances: Local, Administrative Discretionary, Continuum of Learning, and General Education Development Holistic Scoring. The following Education Fund account has an unassigned fund balance: Area III – Homeless Liaison Project. The following Nonmajor Special Revenue Fund has an unassigned fund balance: General Education Development Certificate.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. NET POSITION

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

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

Restricted net position – Consists of net position 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 position – All other net positions that do not meet the definition of “restricted” or “invested in capital assets.”

K. CASH AND CASH EQUIVALENTS

The Sangamon County Regional Office of Education #51’s cash and cash equivalents are considered to be demand deposits and short-term investments (investments with a maturity date of three months or less). All interest income is recognized as revenue in the appropriate fund’s Statement of Revenues, Expenditures, and Changes in Fund Balance.

L. INVENTORY

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

M. ESTIMATES

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

N. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$1,000 or more and estimated useful lives of greater than five years are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

O. COMPENSATED ABSENCES

Noncertified and certified employees who work 12 calendar months can earn up to 20 vacation days for a full year of service. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days. Because salaries are grant funded from year to year, all vacation time must be used before the end of the fiscal year. An employee may request that a maximum of five days of unused vacation be carried over to the next fiscal year. The Regional Office did not grant any such requests at June 30, 2013 and 2012, therefore no vacation accruals have been made.

Employees receive up to 12 sick days annually, and the unused portion is accumulated up to 180 days and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay, and therefore, no liability is accrued.

P. BUDGET INFORMATION

The Regional Office of Education #51 acts as the administrative agent for certain grant programs that are accounted for in the Education Fund. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted nor are they required to be. Certain programs within the General Fund and Special Revenue Funds do not have separate budgets. Comparisons of budgeted and actual results are presented as supplementary information. Budgetary comparison schedules have been provided in supplementary schedules for the following funds: Regional Safe Schools, Area III – Homeless Liaison Project, Sangamon County Truants Alternative Optional Education Program, System of Support, Learn and Serve America, and ROE/ISC Operations.

NOTE 2 – CASH

The Regional Office of Education #51 does not have a formal investment policy. The Regional Office of Education #51 is allowed to invest in securities as authorized by 30 ILCS 235/2 and 6 and 105 ILCS 5/8-7.

A. DEPOSITS

At June 30, 2013, the carrying amount of the Regional Office of Education #51's government-wide and Agency fund deposits were \$1,149,993 and \$137,050, respectively, and the bank balances were \$1,277,417 and \$90,394, respectively. Of the total bank balances as of June 30, 2013, \$257,094 was insured by Federal Depository Insurance Corporation, \$26,956 was invested in the Illinois Funds Money Market Fund, and \$1,083,761 was collateralized by securities pledged by the Regional Office of Education #51's financial institution in the name of the Regional Office.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 2 – CASH (Concluded)

A. DEPOSITS (Concluded)

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the Regional Office of Education #51's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Regional Office of Education #51's investment policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the Regional Office of Education #51.

B. INVESTMENTS

The Regional Office of Education #51's investment policy requires that funds should be invested solely in investments authorized by 30 ILCS 235/2 and 6 and 105 ILCS 5/8-7. As noted above, the Regional Office of Education #51 had \$26,956 invested in the Illinois Funds Money Market Fund at June 30, 2013.

CREDIT RISK

At June 30, 2013, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

CONCENTRATION OF CREDIT RISK

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

INTEREST RATE RISK

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

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 3 – DEFINED BENEFIT PENSION PLAN**

**Plan Description.** The Regional Office of Education #51’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 #51’s plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

**Funding Policy.** As set by statute, the Regional Office of Education #51’s Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 was 10.92 percent. The Regional Office of Education #51 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 2012 was \$51,619.

**THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN**

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/12	\$ 51,619	100%	\$ 0
12/31/11	52,746	100%	0
12/31/10	52,541	100%	0

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the Regional Office of Education #51’s plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education #51’s plan’s unfunded actuarial accrued liability at December 31, 2010, is being amortized as a level percentage of projected payroll on an open 10-year basis.



SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

**Funded Status and Funding Progress.** As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 91.11 percent funded. The actuarial accrued liability for benefits was \$938,352 and the actuarial value of assets was \$854,916, resulting in an underfunded actuarial accrued liability (UAAL) of \$83,436. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$472,701 and the ratio of the UAAL to the covered payroll was 18 percent.

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

NOTE 4 – TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The Regional Office of Education #51 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

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

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2013, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2012 and 2011.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #51's TRS-covered employees.

- **On-behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #51. For the year ended June 30, 2013, the State of Illinois contributions were based on 28.05 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #51 recognized revenue and expenditures of \$157,383 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2012, and June 30, 2011, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 24.91 percent (\$138,761) and 23.10 percent (\$124,746), respectively.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

The Regional Office of Education #51 makes other types of employer contributions directly to TRS.

- **2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ending June 30, 2013, were \$2,068. Contributions for the years ending June 30, 2012, and June 30, 2011, were \$2,117 and \$2,137, respectively.
- **Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #51, there is a statutory requirement for the Regional Office of Education #51 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2013, the employer pension contribution was 28.05 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2012 and June 30, 2011, the employer pension contribution was 24.91 and 23.10 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2013, no salaries were paid from federal and special trust funds that required employer contributions. For the years ended June 30, 2012 and June 30, 2011, required Regional Office of Education #51 contributions were \$-0- and \$1,698, respectively.

- **Early retirement option.** The Regional Office of Education #51 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

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

For the year ended June 30, 2013, the Regional Office of Education #51 paid no contributions to TRS for employer contributions under the ERO program. For the years ended, June 30, 2012 and June 30, 2011, the Regional Office of Education #51 paid no employer ERO contributions.

- **Salary increases over 6 percent and excess sick leave.** If the Regional Office of Education #51 grants salary increases over 6 percent and those salaries are used to calculate a retiree’s final average salary, the Regional Office of Education #51 makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increase of up to 6 percent.

For the year ended June 30, 2013, the Regional Office of Education #51 paid no contributions to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2012 and June 30, 2011, the Regional Office of Education #51 paid \$-0- and \$750 to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Concluded)

If the Regional Office of Education #51 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the Regional Office of Education #51 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.63 percent of salary during the year ended June 30, 2013).

For the year ended June 30, 2013, the Regional Office of Education #51 paid no employer contributions to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2012 and June 30, 2011, the Regional Office of Education #51 paid no employer contributions granted for sick leave days.

**Further information on TRS.** TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and State funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2012. The report for the year ended June 30, 2013, is expected to be available in late 2013. The reports may be obtained by writing to the Teachers’ Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, Illinois 62794-9253. The most current report is also available on the TRS website at <http://trs.illinois.gov>.

NOTE 5 – TEACHERS’ HEALTH INSURANCE SYSTEM

The Regional Office of Education #51 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers’ Retirement System (TRS). Annuitants may participate in the State-administered participating provider option plan or choose from several managed care options.

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

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

SANGAMON COUNTY  
 REGIONAL OFFICE OF EDUCATION #51  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2013

NOTE 5 – TEACHERS’ HEALTH INSURANCE SYSTEM (Concluded)

**On-behalf contributions to THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office. State contributions are intended to match contributions to THIS Fund from active members which were 0.92 percent of pay during the year ended June 30, 2013. State of Illinois contributions were \$3,280, and the Regional Office of Education #51 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2012 and June 30, 2011 were 0.88 percent of pay, both years. State contributions on behalf of Regional Office of Education #51 employees were \$3,154 and \$3,242, respectively.

**Employer contributions to THIS Fund.** The Regional Office of Education #51 also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.69 percent during the year ended June 30, 2013 and 0.66 percent during the years ended June 30, 2012 and June 30, 2011. For the year ended June 30, 2013, the Regional Office of Education #51 paid \$2,460 to the THIS Fund. For the years ended June 30, 2012 and June 30, 2011, the Regional Office paid \$2,365 and \$2,431 to THIS Fund, respectively, which was 100 percent of the required contribution.

**Further information on THIS Fund.** The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The 2013 report is listed under “Central Management Services.” Prior reports are available under “Healthcare and Family Services.”

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE

The Regional Office of Education #51 provides other limited health care insurance coverage for its eligible retired employees. The Governmental Accounting Standards Board (GASB) issued Statements No. 43 and 45 that established generally accepted accounting principles for the annual financial statement for postemployment benefit plans other than pension plans. GASB Statement No. 45 is implemented prospectively. The required information is as follows:

Membership in the plan consisted of the following as of:

	<u>June 30, 2011</u>
Retirees and beneficiaries receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	7
Active nonvested plan members	15
Total	22
Number of participating employers	1

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE (Continued)

ANNUAL OPEB COST AND NET OPEB OBLIGATION

	<u>June 30, 2011</u>
Annual required contribution	\$ 2,326
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>2,326</u>
Contributions made	-
Increase (decrease) in net OPEB obligation	<u>2,326</u>
Net OPEB obligation beginning of year	-
Net OPEB obligation end of year	<u><u>\$ 2,326</u></u>

The net OPEB obligation of \$2,326 has not been recorded as a liability in the Regional Office of Education #51's accounting records.

THREE-YEAR TREND INFORMATION

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 2,326	0.00%	\$ 2,326
6/30/2010	-	-	-
6/30/2009	-	-	-

ANNUAL REQUIRED CONTRIBUTION

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Service cost	\$ 1,760	\$ 1,806
Amortization	470	409
Interest	<u>112</u>	<u>111</u>
Annual required contribution	<u><u>\$ 2,342</u></u>	<u><u>\$ 2,326</u></u>

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE (Concluded)

FUNDING POLICY AND ACTUARIAL ASSUMPTIONS

Contribution rates:

Employer	
Plan members	0.00%

Actuarial valuation date 6/30/2011

Actuarial cost method Entry age

Amortization period Level percentage of pay, open

Remaining amortization period 30 years

Asset valuation method Market

Actuarial assumptions:

Investment rate of return\* 5.00%

Projected salary increases 5.00%

Healthcare inflation rate 8.00% initial, 6.00% ultimate

Mortality, turnover, disability,  
retirement ages Same rates utilized for IMRF

Active utilization rate: 20%

Employer provided benefit Explicit: None  
Implicit: 40% of premium to age 65  
(50% of \$429/mo + 50% of \$857/mo)

\* Includes inflation at 3.00%

GASB 45 SUMMARY AS OF JUNE 30, 2011

Division	Service Cost	Active Liability	Retired Liability	Total Liability	Annual Required Contribution	Expected Payments	Actives	Retirees	Total
All	\$1,760	\$14,102	\$ -	\$14,102	\$ 2,341	\$ -	22	-	22

Discount Rate: 5.0%

Medical Inflation Rate: 8.0% initial, 6.0% ultimate

Future Payroll Increases: 5.0%

SANGAMON COUNTY  
 REGIONAL OFFICE OF EDUCATION #51  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2013

NOTE 7 – OPERATING LEASES

The Regional Office of Education #51 leases classroom, office, and laboratory space. During fiscal year 2013, the Regional Office had three separate leases for 6,333 square feet, 4,040 square feet, and 2,105 square feet, all leased at \$7.52 per square foot. Additionally, the Regional Office leased office space in Evanston, Illinois, for \$2,243 per month for fiscal year 2013. Rent expense for the year ended June 30, 2013, was \$120,754. The Regional Office also leases a copier over a 60-month term ending May 2016 which requires monthly payments of \$182, a digital imaging system over a 60-month term ending June 2013 which requires monthly payments of \$177, a copier leased month to month, a postage meter leased month to month, and a postage meter leased over a 60-month term ending December 2014 which requires monthly payments of \$60. Total equipment lease expense for the year ended June 30, 2013, was \$5,028. Future minimum rentals are as follows for the years ending June 30:

2014	\$ 2,904
2015	2,544
2016	<u>2,002</u>
	<u>\$ 7,450</u>

NOTE 8 – RISK MANAGEMENT

The Regional Office of Education #51 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education #51 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

NOTE 9 – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #51 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased. The following table provides a summary of changes in capital assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2013:

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 9 – CAPITAL ASSETS (Concluded)

	Balance 07/01/12	Additions	Disposals	Balance 06/30/13
Governmental Activities				
Capital Assets, Being Depreciated				
Computer Equipment	\$ 79,351	\$ 1,099	\$ -	\$ 80,450
Other Equipment	38,222	-	-	38,222
Total	<u>117,573</u>	<u>1,099</u>	<u>-</u>	<u>118,672</u>
Less Accumulated Depreciation for:				
Computer Equipment	(71,236)	(3,081)	-	(74,317)
Other Equipment	(38,783)	-	-	(38,783)
Total	<u>(110,019)</u>	<u>(3,081)</u>	<u>-</u>	<u>(113,100)</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 7,554</u>	<u>\$ (1,982)</u>	<u>\$ -</u>	<u>\$ 5,572</u>
Business-Type Activities				
Capital Assets, Being Depreciated				
Other equipment	\$ 11,912	\$ -	\$ -	\$ 11,912
Less Accumulated Depreciation for:				
Other equipment	<u>(6,528)</u>	<u>(2,383)</u>	<u>-</u>	<u>(8,911)</u>
Business-Type Activities				
Capital Assets, Net	<u>\$ 5,384</u>	<u>\$ (2,383)</u>	<u>\$ -</u>	<u>\$ 3,001</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2013, of \$3,081 and \$2,383 was charged to the governmental activities and business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

NOTE 10 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2013, consist of the following individual due to/from other funds in the governmental fund Balance Sheet. These balances were eliminated in the government-wide Statement of Net Position.



SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 10 – INTERFUND ACTIVITY (Concluded)

DUE TO/FROM OTHER FUNDS (Concluded)

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Funds	\$ 60,849	\$ -
Education Funds	-	21,111
Nonmajor Special Revenue Funds	-	39,738
	<u>\$ 60,849</u>	<u>\$ 60,849</u>

TRANSFERS

Interfund transfers in/out to other fund balances at June 30, 2013, consist of the following individual transfers in/out to other funds in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

	<u>Transfer In</u>	<u>Transfer Out</u>
General Funds	\$ 120,578	\$ 70,740
Education Funds	74,397	30,032
Cook County General Education Development	-	98,885
Nonmajor Special Revenue Funds	5,123	-
Proprietary Funds	-	441
	<u>\$ 200,098</u>	<u>\$ 200,098</u>

NOTE 11 – ON-BEHALF PAYMENTS

The State of Illinois paid the following salaries on behalf of the Regional Office of Education #51:

Regional Superintendent Salary	\$ 107,640
Assistant Regional Superintendent Salary	96,888
Regional Superintendent Benefits (Includes State-paid insurance)	34,006
Assistant Regional Superintendent Benefits (Includes State paid insurance)	23,691
TRS Pension Contribution	157,383
Teachers' Health Insurance Security (THIS) Fund Contribution	<u>3,280</u>
Total	<u>\$ 422,888</u>

SANGAMON COUNTY  
 REGIONAL OFFICE OF EDUCATION #51  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2013

NOTE 11 – ON-BEHALF PAYMENTS (Concluded)

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.

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

Sangamon County provides the Regional Office with staff and pays certain expenditures on behalf of the Regional Office. The expenditures paid on the Regional Office of Education #51's behalf for the year ended June 30, 2013, were as follows:

Salaries and benefits	\$ 188,476
Purchased services	9,397
Supplies and materials	<u>1,982</u>
 Total	 <u>\$ 199,855</u>

These amounts have been recorded in the accompanying financial statements as local revenue and expenditures.

NOTE 12 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds which are presented only in combination on the financial statements. Funds having deficit fund balances/net position and funds which over expend appropriations during the year are required to be disclosed.

The following funds/fund accounts had deficit fund balances at June 30, 2013:

	<u>Amount</u>
<u>Education Funds</u>	
Area III - Homeless Liason Project	\$ 5,636
<u>Nonmajor Special Revenue Funds</u>	
General Education Development Certificate	\$ 40,005

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE 13 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #51’s General Funds, Education Funds, Special Revenue Funds, Proprietary Funds, and Agency Funds have funds due from/to various other governmental units which consist of the following:

Due from Other Governments:

<u>General Funds</u>	
Local Governments	\$ 18,835
<u>Education Funds</u>	
Local Governments	12,865
Illinois State Board of Education	83,804
Federal Government	27,470
<u>Special Revenue Funds</u>	
Local Governments	22,507
<u>Proprietary Funds</u>	
Local Governments	<u>1,978</u>
Total	<u>\$ 167,459</u>

Due to Other Governments:

<u>Agency Funds</u>	
Local Governments	<u>\$ 137,050</u>

NOTE 14 – CONSOLIDATED ADMINISTRATIVE FUNDS

The Regional Office consolidates the administrative fees received from functioning as the fiscal administrator for various programs into one fund to pay for the Regional Office’s administrative costs associated with these programs. The following are administrative fees consolidated in the Administrative Discretionary fund:

Cook County General Education Development	\$ 62,300
Reading Initiative	7,500
Illinois Education and Technology Conference	4,378
General Education Development	3,843
Math and Science Initiative	3,500
Special Education Non-Public Conference	<u>500</u>
Total	<u>\$ 82,021</u>

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

SANGAMON COUNTY  
 REGIONAL OFFICE OF EDUCATION #51  
 ILLINOIS MUNICIPAL RETIREMENT FUND  
 SCHEDULE OF FUNDING PROGRESS  
 (UNAUDITED)  
 JUNE 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ( (b-a)/c )
12/31/12	\$854,916	\$938,352	\$83,436	91.11%	\$472,701	17.65%
12/31/11	749,092	892,378	143,286	83.94%	484,357	29.58%
12/31/10	704,500	820,373	115,873	85.88%	498,020	23.27%

On a market value basis, the actuarial value of assets as of December 31, 2012, is \$875,812.

On a market basis, the funded ratio would be 93.34%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Truants Alternative & Optional Education Program. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

SANGAMON COUNTY  
 REGIONAL OFFICE OF EDUCATION #51  
 OTHER POST-EMPLOYMENT BENEFITS - HEALTH INSURANCE  
 SCHEDULE OF FUNDING PROGRESS  
 (UNAUDITED)  
 JUNE 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ( (b-a)/c )
6/30/11	\$ -	\$ 14,102	\$ 14,102	-	\$ -	-
6/30/10	-	-	-	-	-	-
6/30/09	-	-	-	-	-	-

OTHER SUPPLEMENTARY INFORMATION

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
JUNE 30, 2013

	Local	Administrative Discretionary	Continuum of Learning	General State Aid - Truants Alternative Optional Education Program	General State Aid - Regional Safe Schools	General Education Development Holistic Scoring	TOTALS
<b>ASSETS</b>							
Cash and cash equivalents	\$ 15,490	\$ 241,426	\$ 4,457	\$ 150,780	\$ 381,541	\$ 245	\$ 793,939
Due from other funds	-	-	-	60,849	-	-	60,849
Due from other governments							
Local	-	9,389	-	-	-	9,446	18,835
<b>TOTAL ASSETS</b>	<b>\$ 15,490</b>	<b>\$ 250,815</b>	<b>\$ 4,457</b>	<b>\$ 211,629</b>	<b>\$ 381,541</b>	<b>\$ 9,691</b>	<b>\$ 873,623</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 103	\$ 4,444	\$ -	\$ 9,576	\$ 12,729	\$ 340	\$ 27,192
Accrued payroll and benefits	-	-	-	33,594	10,693	-	44,287
<b>Total Liabilities</b>	<b>103</b>	<b>4,444</b>	<b>-</b>	<b>43,170</b>	<b>23,422</b>	<b>340</b>	<b>71,479</b>
<b>FUND BALANCE (DEFICIT)</b>							
Assigned	-	-	-	168,459	358,119	-	526,578
Unassigned	15,387	246,371	4,457	-	-	9,351	275,566
<b>Total Fund Balance (Deficit)</b>	<b>15,387</b>	<b>246,371</b>	<b>4,457</b>	<b>168,459</b>	<b>358,119</b>	<b>9,351</b>	<b>802,144</b>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 15,490</b>	<b>\$ 250,815</b>	<b>\$ 4,457</b>	<b>\$ 211,629</b>	<b>\$ 381,541</b>	<b>\$ 9,691</b>	<b>\$ 873,623</b>



SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013

	Local	Administrative Discretionary	Continuum of Learning	General State Aid - Truants Alternative Optional Education Program	General State Aid - Regional Safe Schools	General Education Development Holistic Scoring	TOTALS
<b>REVENUES</b>							
Local sources	\$ 12,328	\$ 50,920	\$ -	\$ 6,015	\$ -	\$ 24,210	\$ 93,473
On-behalf payments - Local	199,855	-	-	-	-	-	199,855
State sources	-	-	-	288,420	115,565	-	403,985
On-behalf payments - State	422,888	-	-	-	-	-	422,888
<b>Total Revenues</b>	<b>635,071</b>	<b>50,920</b>	<b>-</b>	<b>294,435</b>	<b>115,565</b>	<b>24,210</b>	<b>1,120,201</b>
<b>EXPENDITURES</b>							
Salaries and benefits	3,314	94,836	-	238,252	76,171	62,398	474,971
Purchased services	21,641	47,289	-	59,784	55,182	2,514	186,410
Supplies and materials	1,399	6,121	-	8,046	768	-	16,334
Other objects	-	1,154	-	1,428	-	-	2,582
On-behalf payments - Local	199,855	-	-	-	-	-	199,855
On-behalf payments - State	422,888	-	-	-	-	-	422,888
<b>Total Expenditures</b>	<b>649,097</b>	<b>149,400</b>	<b>-</b>	<b>307,510</b>	<b>132,121</b>	<b>64,912</b>	<b>1,303,040</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(14,026)</b>	<b>(98,480)</b>	<b>-</b>	<b>(13,075)</b>	<b>(16,556)</b>	<b>(40,702)</b>	<b>(182,839)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	69,019	-	22,410	-	29,149	120,578
Transfers out	-	-	-	-	(70,740)	-	(70,740)
Interest	185	910	-	885	1,820	-	3,800
<b>Total Other Financing Sources (Uses)</b>	<b>185</b>	<b>69,929</b>	<b>-</b>	<b>23,295</b>	<b>(68,920)</b>	<b>29,149</b>	<b>53,638</b>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	<b>(13,841)</b>	<b>(28,551)</b>	<b>-</b>	<b>10,220</b>	<b>(85,476)</b>	<b>(11,553)</b>	<b>(129,201)</b>
<b>FUND BALANCE (DEFICIT) - BEGINNING</b>	<b>29,228</b>	<b>274,922</b>	<b>4,457</b>	<b>158,239</b>	<b>443,595</b>	<b>20,904</b>	<b>931,345</b>
<b>FUND BALANCE (DEFICIT) - ENDING</b>	<b>\$ 15,387</b>	<b>\$ 246,371</b>	<b>\$ 4,457</b>	<b>\$ 168,459</b>	<b>\$ 358,119</b>	<b>\$ 9,351</b>	<b>\$ 802,144</b>

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2013

	Regional Safe Schools	Area III - Homeless Liaison Project	Sangamon County Truants Alternative Optional Education Program	Best Foot Forward	Illinois Department of Public Health Dental Sealant
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 6,167	\$ -	\$ -
Due from other governments:					
Local	-	12,865	-	-	-
State	13,386	-	17,279	-	-
Federal	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 13,386</b>	<b>\$ 12,865</b>	<b>\$ 23,446</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 2,553	\$ 475	\$ 1,154	\$ -	\$ -
Accrued payroll and benefits	6,754	-	22,292	-	-
Due to other funds	4,079	12,390	-	-	-
Unearned revenue	-	5,636	-	-	-
<b>Total Liabilities</b>	<b>13,386</b>	<b>18,501</b>	<b>23,446</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (DEFICIT)</b>					
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(5,636)	-	-	-
<b>Total Fund Balance (Deficit)</b>	<b>-</b>	<b>(5,636)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 13,386</b>	<b>\$ 12,865</b>	<b>\$ 23,446</b>	<b>\$ -</b>	<b>\$ -</b>

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2013

	State and Federal School Breakfast and Lunch	System of Support	Math and Science Initiatives	Miscellaneous Federal Programs	Learn & Serve America
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,177	\$ 648	\$ -	\$ 27	\$ 15
Due from other governments:					
Local	-	-	-	-	-
State	70	-	-	-	-
Federal	-	22,828	4,642	-	-
<b>TOTAL ASSETS</b>	<b>\$ 9,247</b>	<b>\$ 23,476</b>	<b>\$ 4,642</b>	<b>\$ 27</b>	<b>\$ 15</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 91	\$ -	\$ -	\$ 15
Accrued payroll and benefits	-	3,551	-	-	-
Due to other funds	-	-	4,642	-	-
Unearned revenue	-	19,834	-	27	-
<b>Total Liabilities</b>	<b>-</b>	<b>23,476</b>	<b>4,642</b>	<b>27</b>	<b>15</b>
<b>FUND BALANCE (DEFICIT)</b>					
Restricted	9,247	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balance (Deficit)</b>	<b>9,247</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 9,247</b>	<b>\$ 23,476</b>	<b>\$ 4,642</b>	<b>\$ 27</b>	<b>\$ 15</b>

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2013

	Principal Preparation and Evaluation	ISBE Initiatives	Reading Initiative	ROE/ISC Operations	TOTALS
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,964	\$ 33,330	\$ 8,560	\$ 1,393	\$ 63,281
Due from other governments:					
Local	-	-	-	-	12,865
State	-	-	50,000	3,069	83,804
Federal	-	-	-	-	27,470
<b>TOTAL ASSETS</b>	<b>\$ 3,964</b>	<b>\$ 33,330</b>	<b>\$ 58,560</b>	<b>\$ 4,462</b>	<b>\$ 187,420</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 80	\$ -	\$ 196	\$ 4,462	\$ 9,026
Accrued payroll and benefits	-	-	4,329	-	36,926
Due to other funds	-	-	-	-	21,111
Unearned revenue	-	33,330	-	-	58,827
<b>Total Liabilities</b>	<b>80</b>	<b>33,330</b>	<b>4,525</b>	<b>4,462</b>	<b>125,890</b>
<b>FUND BALANCE (DEFICIT)</b>					
Restricted	3,884	-	54,035	-	67,166
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(5,636)
<b>Total Fund Balance (Deficit)</b>	<b>3,884</b>	<b>-</b>	<b>54,035</b>	<b>-</b>	<b>61,530</b>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 3,964</b>	<b>\$ 33,330</b>	<b>\$ 58,560</b>	<b>\$ 4,462</b>	<b>\$ 187,420</b>

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013

	Regional Safe Schools	Area III - Homeless Liaison Project	Sangamon County Truants Alternative Optional Education Program	Best Foot Forward	Illinois Department of Public Health Dental Sealant
<b>REVENUES</b>					
Local sources	\$ -	\$ -	\$ -	\$ 3,017	\$ -
State sources	102,077	-	220,104	-	-
Federal sources	-	54,458	-	-	-
Total Revenues	<u>102,077</u>	<u>54,458</u>	<u>220,104</u>	<u>3,017</u>	<u>-</u>
<b>EXPENDITURES</b>					
Salaries and benefits	152,131	50,133	190,393	-	-
Purchased services	11,730	8,553	6,488	3,190	-
Supplies and materials	2,667	4,175	813	-	-
Other objects	32	-	-	-	-
Payments to other governments	-	-	-	-	-
Total Expenditures	<u>166,560</u>	<u>62,861</u>	<u>197,694</u>	<u>3,190</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(64,483)</u>	<u>(8,403)</u>	<u>22,410</u>	<u>(173)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfer in	64,483	2,767	-	173	-
Transfer out	-	-	(22,410)	-	(122)
Interest	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>64,483</u>	<u>2,767</u>	<u>(22,410)</u>	<u>173</u>	<u>(122)</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	(5,636)	-	-	(122)
FUND BALANCE (DEFICIT) - BEGINNING	-	-	-	-	122
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ (5,636)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013

	State and Federal School Breakfast and Lunch	System of Support	Math and Science Initiatives	Miscellaneous Federal Programs	Learn & Serve America
<b>REVENUES</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	679	-	-	-	-
Federal sources	26,220	69,738	74,642	-	16,422
Total Revenues	<u>26,899</u>	<u>69,738</u>	<u>74,642</u>	<u>-</u>	<u>16,422</u>
<b>EXPENDITURES</b>					
Salaries and benefits	-	65,382	66,339	-	14,038
Purchased services	17,948	3,362	8,303	-	746
Supplies and materials	-	994	-	-	5,376
Other objects	-	-	-	-	-
Payments to other governments	396	-	-	-	-
Total Expenditures	<u>18,344</u>	<u>69,738</u>	<u>74,642</u>	<u>-</u>	<u>20,160</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>8,555</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,738)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfer in	2,519	-	-	-	3,738
Transfer out	-	-	-	-	-
Interest	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>2,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,738</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	11,074	-	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING	<u>(1,827)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 9,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013

	Principal Preparation and Evaluation	ISBE Initiatives	Reading Initiative	ROE/ISC Operations	TOTALS
<b>REVENUES</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 3,017
State sources	25,000	8,492	230,533	36,808	623,693
Federal sources	-	-	-	-	241,480
Total Revenues	<u>25,000</u>	<u>8,492</u>	<u>230,533</u>	<u>36,808</u>	<u>868,190</u>
<b>EXPENDITURES</b>					
Salaries and benefits	21,000	6,459	153,348	31,788	751,011
Purchased services	116	2,169	13,688	5,737	82,030
Supplies and materials	-	19	2,020	-	16,064
Other objects	-	-	-	-	32
Payments to other governments	-	-	-	-	396
Total Expenditures	<u>21,116</u>	<u>8,647</u>	<u>169,056</u>	<u>37,525</u>	<u>849,533</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,884</u>	<u>(155)</u>	<u>61,477</u>	<u>(717)</u>	<u>18,657</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfer in	-	-	-	717	74,397
Transfer out	-	-	(7,500)	-	(30,032)
Interest	-	155	58	-	213
Total Other Financing Sources (Uses)	<u>-</u>	<u>155</u>	<u>(7,442)</u>	<u>717</u>	<u>44,578</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	3,884	-	54,035	-	63,235
FUND BALANCE (DEFICIT) - BEGINNING	-	-	-	-	(1,705)
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 3,884</u>	<u>\$ -</u>	<u>\$ 54,035</u>	<u>\$ -</u>	<u>\$ 61,530</u>

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
REGIONAL SAFE SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUE</b>			
State sources	\$ 102,077	\$ 102,077	\$ 102,077
Total Revenue	<u>102,077</u>	<u>102,077</u>	<u>102,077</u>
<b>EXPENDITURES</b>			
Salaries and benefits	92,477	92,477	152,131
Purchased services	5,800	5,800	11,730
Supplies and materials	968	968	2,667
Other objects	-	-	32
Non-capitalized equipment	2,832	2,832	-
Total Expenditures	<u>102,077</u>	<u>102,077</u>	<u>166,560</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(64,483)</u>
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	-	-	64,483
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>64,483</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	-	-	-
<b>FUND BALANCE (DEFICIT) - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - ENDING</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
AREA III - HOMELESS LIAISON PROJECT (12-4920-00)  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 54,209	\$ 55,709	\$ 4,230
Total Revenue	<u>54,209</u>	<u>55,709</u>	<u>4,230</u>
EXPENDITURES			
Salaries and benefits	48,685	48,685	-
Purchased services	4,082	3,832	4,230
Supplies and materials	1,442	3,192	-
Total Expenditures	<u>54,209</u>	<u>55,709</u>	<u>4,230</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Revenues and expenditures are less than budgeted amounts because only part of the grant was received and expended in the current fiscal year; the remainder was received and expended in the prior year.

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
AREA III - HOMELESS LIAISON PROJECT  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 57,078	\$ 58,578	\$ 50,228
Total Revenue	<u>57,078</u>	<u>58,578</u>	<u>50,228</u>
EXPENDITURES			
Salaries and benefits	50,076	50,076	50,133
Purchased services	4,062	4,062	4,323
Supplies and materials	2,940	4,440	4,175
Total Expenditures	<u>57,078</u>	<u>58,578</u>	<u>58,631</u>
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(8,403)</u>
OTHER FINANCING SOURCES:			
Transfers in	-	-	2,767
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>2,767</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	(5,636)
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,636)</u>

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT

SANGAMON COUNTY TRUANTS ALTERNATIVE OPTIONAL EDUCATION PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUE</b>			
State sources	\$ 189,989	\$ 189,989	\$ 220,104
Total Revenue	<u>189,989</u>	<u>189,989</u>	<u>220,104</u>
<b>EXPENDITURES</b>			
Salaries and benefits	187,063	187,063	190,393
Purchased services	2,926	2,926	6,488
Supplies and materials	-	-	813
Total Expenditures	<u>189,989</u>	<u>189,989</u>	<u>197,694</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>22,410</u>
<b>OTHER FINANCING USES:</b>			
Transfers out	-	-	(22,410)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(22,410)</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>			
	-	-	-
<b>FUND BALANCE (DEFICIT) - BEGINNING</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - ENDING</b>			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
SYSTEM OF SUPPORT  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUE</b>			
Federal sources	\$ 88,900	\$ 88,900	\$ 69,738
Total Revenue	<u>88,900</u>	<u>88,900</u>	<u>69,738</u>
<b>EXPENDITURES</b>			
Salaries and benefits	72,500	72,500	65,382
Purchased services	16,400	16,400	3,362
Supplies and materials	-	-	994
Total Expenditures	<u>88,900</u>	<u>88,900</u>	<u>69,738</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>			
	-	-	-
<b>FUND BALANCE (DEFICIT) - BEGINNING</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - ENDING</b>			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
LEARN AND SERVE AMERICA (12-4910-00)  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUE</b>			
Federal sources	\$ 14,593	\$ 27,136	\$ 16,422
Total Revenue	<u>14,593</u>	<u>27,136</u>	<u>16,422</u>
<b>EXPENDITURES</b>			
Salaries and benefits	3,441	8,596	14,038
Purchased services	-	2,300	746
Supplies and materials	905	5,993	5,376
Payments to other governments	10,247	10,247	-
Total Expenditures	<u>14,593</u>	<u>27,136</u>	<u>20,160</u>
<b>EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>(3,738)</u>
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	-	-	3,738
Interest	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>3,738</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - BEGINNING</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - ENDING</b>			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Revenues and expenditures are less than budgeted amounts because the grant ran from December 1 to August 31; only part of the grant was received and expended in the current fiscal year.

SANGAMON COUNTY  
 REGIONAL OFFICE OF EDUCATION #51  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNT  
 ROE/ISC OPERATIONS  
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 36,773	\$ 36,773	\$ 36,808
Total Revenue	<u>36,773</u>	<u>36,773</u>	<u>36,808</u>
EXPENDITURES			
Salaries and benefits	30,200	30,200	31,788
Purchased services	6,573	6,573	5,737
Total Expenditures	<u>36,773</u>	<u>36,773</u>	<u>37,525</u>
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(717)</u>
OTHER FINANCING SOURCES:			
Transfers in	-	-	717
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>717</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2013

	General Education Development Certificate	Bus Driver Training	Supervisory Expenses	TOTALS
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 10,699	\$ 2,114	\$ 12,813
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 10,699</b>	<b>\$ 2,114</b>	<b>\$ 12,813</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 267	\$ -	\$ -	\$ 267
Due to other funds	39,738	-	-	39,738
<b>Total Liabilities</b>	<b>40,005</b>	<b>-</b>	<b>-</b>	<b>40,005</b>
<b>FUND BALANCE (DEFICIT)</b>				
Restricted	-	10,699	2,114	12,813
Unassigned	(40,005)	-	-	(40,005)
<b>Total Fund Balance (Deficit)</b>	<b>(40,005)</b>	<b>10,699</b>	<b>2,114</b>	<b>(27,192)</b>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 10,699</b>	<b>\$ 2,114</b>	<b>\$ 12,813</b>

SANGAMON COUNTY  
 REGIONAL OFFICE OF EDUCATION #51  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

	General Education Development Certificate	Bus Driver Training	Supervisory Expenses	TOTALS
<b>REVENUES</b>				
Local sources	\$ 26,925	\$ 2,740	\$ 575	\$ 30,240
State sources	-	1,440	-	1,440
Total Revenues	<u>26,925</u>	<u>4,180</u>	<u>575</u>	<u>31,680</u>
<b>EXPENDITURES</b>				
Salaries and benefits	35,649	823	-	36,472
Purchased services	5,025	451	5,246	10,722
Supplies and materials	6,575	-	-	6,575
Total Expenditures	<u>47,249</u>	<u>1,274</u>	<u>5,246</u>	<u>53,769</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(20,324)</u>	<u>2,906</u>	<u>(4,671)</u>	<u>(22,089)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer in	-	-	5,123	5,123
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>5,123</u>	<u>5,123</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	(20,324)	2,906	452	(16,966)
<b>FUND BALANCE (DEFICIT) - BEGINNING</b>	<u>(19,681)</u>	<u>7,793</u>	<u>1,662</u>	<u>(10,226)</u>
<b>FUND BALANCE (DEFICIT) - ENDING</b>	<u>\$ (40,005)</u>	<u>\$ 10,699</u>	<u>\$ 2,114</u>	<u>\$ (27,192)</u>



SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
JUNE 30, 2013

	Business-Type Activities - Enterprise Funds		TOTALS
	SDC Workshop	Background Checks	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 12,429	\$ 15,955	\$ 28,384
Due from other governments:			
Local	-	1,978	1,978
Total Current Assets	<u>12,429</u>	<u>17,933</u>	<u>30,362</u>
Noncurrent assets:			
Capital assets, being depreciated, net	992	2,009	3,001
Total Noncurrent Assets	<u>992</u>	<u>2,009</u>	<u>3,001</u>
<b>TOTAL ASSETS</b>	<u>13,421</u>	<u>19,942</u>	<u>33,363</u>
<b>LIABILITIES</b>			
Accounts payable	55	138	193
Accrued payroll and benefits	219	-	219
<b>TOTAL LIABILITIES</b>	<u>274</u>	<u>138</u>	<u>412</u>
<b>NET POSITION</b>			
Invested in capital assets	992	2,009	3,001
Unrestricted	12,155	17,795	29,950
<b>TOTAL NET POSITION</b>	<u>\$ 13,147</u>	<u>\$ 19,804</u>	<u>\$ 32,951</u>

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds		TOTALS
	SDC	Background	
	Workshop	Checks	
<b>OPERATING REVENUES</b>			
Charges for services	\$ 70,515	\$ 38,701	\$ 109,216
Total Operating Revenues	<u>70,515</u>	<u>38,701</u>	<u>109,216</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	41,852	89	41,941
Purchased services	48,998	28,121	77,119
Supplies and materials	403	1,060	1,463
Other objects	815	-	815
Depreciation expense	660	1,723	2,383
Total Operating Expenses	<u>92,728</u>	<u>30,993</u>	<u>123,721</u>
OPERATING INCOME (LOSS)	(22,213)	7,708	(14,505)
<b>NONOPERATING EXPENSE</b>			
Transfers out	(441)	-	(441)
Total Nonoperating Expense	<u>(441)</u>	<u>-</u>	<u>(441)</u>
CHANGE IN NET POSITION	(22,654)	7,708	(14,946)
NET POSITION - BEGINNING	<u>35,801</u>	<u>12,096</u>	<u>47,897</u>
NET POSITION - ENDING	<u>\$ 13,147</u>	<u>\$ 19,804</u>	<u>\$ 32,951</u>

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds		TOTALS
	SDC	Background	
	Workshop Fund	Checks	
Cash flows from operating activities:			
Receipts from customers	\$ 63,766	\$ 39,667	\$ 103,433
Payments to suppliers and providers of goods and services	(50,161)	(30,965)	(81,126)
Payments to employees	(41,633)	(89)	(41,722)
Net cash provided by (used for) operating activities	<u>(28,028)</u>	<u>8,613</u>	<u>(19,415)</u>
Cash flows from noncapital financing activities:			
Cash transfers to other funds	(441)	-	(441)
Net cash used for noncapital financing activities	<u>(441)</u>	<u>-</u>	<u>(441)</u>
Net increase (decrease) in cash and cash equivalents	(28,469)	8,613	(19,856)
Cash and cash equivalents - Beginning	<u>40,898</u>	<u>7,342</u>	<u>48,240</u>
Cash and cash equivalents - Ending	<u>\$ 12,429</u>	<u>\$ 15,955</u>	<u>\$ 28,384</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (22,213)	\$ 7,708	\$ (14,505)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Decrease in due from other governments	-	966	966
Depreciation expense	660	1,723	2,383
Increase (Decrease) in accounts payable	55	(1,784)	(1,729)
Increase in accrued payroll and benefits	219	-	219
Decrease in deferred revenue	(6,749)	-	(6,749)
Net cash provided by (used for) operating activities	<u>\$ (28,028)</u>	<u>\$ 8,613</u>	<u>\$ (19,415)</u>

SANGAMON COUNTY  
 REGIONAL OFFICE OF EDUCATION #51  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 AGENCY FUNDS  
 JUNE 30, 2013

	Bilingual Directors Annual Meeting	Illinois Education and Technology Conference	Sangamon County Schoolmasters	Special Education Non-Public Conference	Sangamon County Learning Academy	Those Who Excel	TOTALS
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 102,237	\$ 7,555	\$ 9,123	\$ 4,979	\$ 13,156	\$ 137,050
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 102,237</b>	<b>\$ 7,555</b>	<b>\$ 9,123</b>	<b>\$ 4,979</b>	<b>\$ 13,156</b>	<b>\$ 137,050</b>
<b>LIABILITIES</b>							
Due to other governments	\$ -	\$ 102,237	\$ 7,555	\$ 9,123	\$ 4,979	\$ 13,156	\$ 137,050
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ 102,237</b>	<b>\$ 7,555</b>	<b>\$ 9,123</b>	<b>\$ 4,979</b>	<b>\$ 13,156</b>	<b>\$ 137,050</b>

SANGAMON COUNTY  
 REGIONAL OFFICE OF EDUCATION #51  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

	Balance Beginning of Year 7/1/12	Additions	Deductions	Balance End of Year 6/30/13
<b><u>BILINGUAL DIRECTORS ANNUAL MEETING</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 19	\$ -	\$ 19	\$ -
Total Assets	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Due to other governments	\$ 19	\$ -	\$ 19	\$ -
Total Liabilities	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ -</u>
<b><u>ILLINOIS EDUCATION AND TECHNOLOGY CONFERENCE</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 77,873	\$ 149,290	\$ 124,926	\$ 102,237
Due from other governments	3,750	-	3,750	-
Total Assets	<u>\$ 81,623</u>	<u>\$ 149,290</u>	<u>\$ 128,676</u>	<u>\$ 102,237</u>
<b>LIABILITIES</b>				
Due to other governments	\$ 81,623	\$ 149,290	\$ 128,676	\$ 102,237
Total Liabilities	<u>\$ 81,623</u>	<u>\$ 149,290</u>	<u>\$ 128,676</u>	<u>\$ 102,237</u>
<b><u>SANGAMON COUNTY SCHOOLMASTERS</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,016	\$ 3,134	\$ 2,595	\$ 7,555
Total Assets	<u>\$ 7,016</u>	<u>\$ 3,134</u>	<u>\$ 2,595</u>	<u>\$ 7,555</u>
<b>LIABILITIES</b>				
Due to other governments	\$ 7,016	\$ 3,134	\$ 2,595	\$ 7,555
Total Liabilities	<u>\$ 7,016</u>	<u>\$ 3,134</u>	<u>\$ 2,595</u>	<u>\$ 7,555</u>
<b><u>SPECIAL EDUCATION NON-PUBLIC CONFERENCE</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,654	\$ 38,295	\$ 32,826	\$ 9,123
Total Assets	<u>\$ 3,654</u>	<u>\$ 38,295</u>	<u>\$ 32,826</u>	<u>\$ 9,123</u>
<b>LIABILITIES</b>				
Due to other governments	\$ 3,654	\$ 38,295	\$ 32,826	\$ 9,123
Total Liabilities	<u>\$ 3,654</u>	<u>\$ 38,295</u>	<u>\$ 32,826</u>	<u>\$ 9,123</u>

SANGAMON COUNTY  
REGIONAL OFFICE OF EDUCATION #51  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	Balance Beginning of Year 7/1/12	Additions	Deductions	Balance End of Year 6/30/13
<u>SANGAMON COUNTY LEARNING</u>				
<u>ACADEMY FUND</u>				
ASSETS				
Cash and cash equivalents	\$ 2,308	\$ 12,081	\$ 9,410	\$ 4,979
Total Assets	<u>\$ 2,308</u>	<u>\$ 12,081</u>	<u>\$ 9,410</u>	<u>\$ 4,979</u>
LIABILITIES				
Due to other governments	\$ 2,308	\$ 12,081	\$ 9,410	\$ 4,979
Total Liabilities	<u>\$ 2,308</u>	<u>\$ 12,081</u>	<u>\$ 9,410</u>	<u>\$ 4,979</u>
<u>THOSE WHO EXCEL</u>				
ASSETS				
Cash and cash equivalents	\$ 17,261	\$ 30,555	\$ 34,660	\$ 13,156
Total Assets	<u>\$ 17,261</u>	<u>\$ 30,555</u>	<u>\$ 34,660</u>	<u>\$ 13,156</u>
LIABILITIES				
Due to other governments	\$ 17,261	\$ 30,555	\$ 34,660	\$ 13,156
Total Liabilities	<u>\$ 17,261</u>	<u>\$ 30,555</u>	<u>\$ 34,660</u>	<u>\$ 13,156</u>
<u>TOTAL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 108,131	\$ 233,355	\$ 204,436	\$ 137,050
Due from other governments	3,750	-	3,750	-
Total Assets	<u>\$ 111,881</u>	<u>\$ 233,355</u>	<u>\$ 208,186</u>	<u>\$ 137,050</u>
LIABILITIES				
Due to other governments	\$ 111,881	\$ 233,355	\$ 208,186	\$ 137,050
Total Liabilities	<u>\$ 111,881</u>	<u>\$ 233,355</u>	<u>\$ 208,186</u>	<u>\$ 137,050</u>