

**State of Illinois
WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
FINANCIAL AUDIT
(In Accordance with the Single Audit Act
and OMB Circular A-133)
For the Year Ended June 30, 2010**

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

WILL COUNTY
 REGIONAL OFFICE OF EDUCATION #56
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WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56

OFFICIALS

Regional Superintendent
(Current and During the Audit Period)

Dr. Jennifer Bertino-Tarrant

Assistant Regional Superintendent
(Current and During the Audit Period)

Mr. Shawn T. Walsh

Office is located at:

702 West Maple Street
New Lenox, Illinois 60451

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56

COMPLIANCE REPORT SUMMARY

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

AUDITOR'S REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

An additional 3 matters, which are less than significant deficiencies or material weaknesses, but more than inconsequential, have been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, these issues may have been included as immaterial findings in the auditor's reports.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
10-01	12a	Controls over Financial Statement Preparation	Material Weakness
10-02	12c	Departure from Generally Accepted Accounting Principle	Material Weakness

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

None

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56

COMPLIANCE REPORT SUMMARY (Concluded)

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

None

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

None

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on November 5, 2010. Attending were Jennifer Bertino-Tarrant, Regional Superintendent, Donna Hettman, Bookkeeper, and Tami Knight, Partner, Kemper CPA Group LLP. Responses to the recommendations were provided by Jennifer Bertino-Tarrant, Regional Superintendent.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Will County Regional Office of Education #56 was performed by Kemper CPA Group LLP.

Based on their audit, the auditors expressed a qualified opinion on the Will County Regional Office of Education #56's basic financial statements.

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Will County Regional Office of Education #56, as of and for the year ended June 30, 2010, which collectively comprise the Will County Regional Office of Education #56's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Will County Regional Office of Education #56's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

The Will County Regional Office of Education #56 did not recognize and disclose postemployment benefits other than pensions (OPEB) as required by Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in their financial statements. In our opinion, disclosure of that information is required to conform with accounting principles generally accepted in the United States of America. The effect of this departure from United States generally accepted accounting principles on the financial statements of the Will County Regional Office of Education #56 is not reasonably determinable.

In our opinion, except for the effects of not recognizing a liability for postemployment benefits other than pensions in the Statement of Net Assets and the Statement of Activities as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Will County Regional Office of Education #56, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 13, 2011, on our consideration of the Will County Regional Office of Education #56's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 16a-16g and 50 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Will County Regional Office of Education #56'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 accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Kemper CPA Group LLP

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
April 13, 2011

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Will County Regional Office of Education #56, as of and for the year ended June 30, 2010, which collectively comprise the Will County Regional Office of Education #56's basic financial statements and have issued our report thereon dated April 13, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Will County Regional Office of Education #56's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Will County Regional Office of Education #56's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Will County Regional Office of Education #56's internal control over financial reporting.

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

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 finding 10-01 and 10-02 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Will County Regional Office of Education #56'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*.

We also noted certain matters which we have reported to management of the Will County Regional Office of Education #56 in a separate letter dated April 13, 2011.

Will County Regional Office of Education #56's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Will County Regional Office of Education #56's responses and, accordingly, express no opinion on them.

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

Kemper CPA Group LLP

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
April 13, 2011

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the Regional Office of Education #56's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Regional Office of Education #56's major federal programs for the year ended June 30, 2010. The Regional Office of Education #56's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Regional Office of Education #56's management. Our responsibility is to express an opinion on the Regional Office of Education #56's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Will County Regional Office of Education #56's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Will County Regional Office of Education #56's compliance with those requirements.

In our opinion, the Will County Regional Office of Education #56 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control over Compliance

Management of the Will County Regional Office of Education #56 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Will County Regional Office of Education #56's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Will County Regional Office of Education #56's internal control over compliance.

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

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

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

Kemper CPA Group LLP

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
April 13, 2011

WILL COUNTY
 REGIONAL OFFICE OF EDUCATION #56
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2010

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Qualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? No
- Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? No

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)? No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.287C	Title IV – 21 st Century Community Learning Centers
84.387A	ARRA – McKinney Education for Homeless Children
84.196A	McKinney Education for Homeless Children
84.010A	Title I – Grants to Local Educational Agencies
84.367A	Title II – Teacher Quality – Leadership Grant

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

Auditee qualified as a low-risk auditee? No

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 10-01 – Controls over Financial Statement Preparation

Criteria/Specific requirement:

The Regional Office of Education #56 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The Regional Office's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Regional Office of Education #56 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles.
- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenue. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenue, no entries were provided to reconcile the Regional Office of Education #56's grant activity, such as posting grant receivables and deferred revenue.

Effect:

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

Cause:

Current funding levels are not adequate to hire and/or train accounting personnel in order to comply with these requirements.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 10-01 – Controls over Financial Statement Preparation (Concluded)

Auditor's Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #56 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. 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 of Education's activities and operations.

Management's Response:

The Regional Office of Education #56 accepts the degree of risk associated with this condition because the additional expense to seek outside accounting expertise to prepare and/or review financial statements would take away from the funds available to provide educational services for the schools in the region. The Regional Office of Education #56 will review, approve, and accept responsibility for the audit adjustments, financial statements and related notes provided by the auditors.

The Regional Office of Education #56 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.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 10-02 – Departure from Generally Accepted Accounting Principle

Criteria/Specific Requirement:

The Illinois Administrative Code (74 Ill. Adm. 420.320 (c) (1) and (2)) requires that each Regional Office of Education maintain the accounting records necessary to prepare financial statements in accordance with generally accepted accounting principles (GAAP).

Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (OPEB), requires that employers recognize and disclose OPEB expense. Net OPEB obligations, if any, should be reported as liabilities (or assets if overfunded) in the financial statements. For financial reporting purposes, an actuarial valuation is required to measure and disclose the annual OPEB cost. In certain circumstances, an alternative measurement method can be applied instead of obtaining an actuarial valuation.

Condition:

The Regional Office of Education #56 participates in a defined benefit OPEB plan that provides postemployment benefits other than pensions to its employees in exchange for employee services rendered. Under accrual accounting, the cost of OPEB, and any related OPEB liability, should generally be recorded in the period when the exchange for the employees' services occurs, rather than when the benefits are paid. Currently, the Regional Office of Education #56's OPEB plan is financed on a pay-as-you-go basis, and as such, the financial statements do not report the financial effects of OPEB until the promised benefits are paid. During fiscal year 2010, the Regional Office of Education #56 had an average of 13 active employees and contributions to the OPEB plan totaled \$121,522. The Regional Office of Education #56 did not obtain an actuarial valuation of its postemployment benefits other than pension liability, or apply the alternative measurement method in order to be in compliance with GASB Statement No. 45.

In the absence of the actuarial valuation, or the application of the alternative measurement method, the auditors could not reasonably determine the amount by which this departure would affect the liabilities, fund balances, and expenditures of the Regional Office of Education #56 as of June 30, 2010.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS (Concluded)

**Finding No. 10-02 – Departure from Generally Accepted Accounting Principle
(Concluded)**

Effect:

Failure to apply the accounting and reporting requirements of GASB Statement No. 45 could result in misstatements of the Regional Office of Education #56's financial statements. This could also result in inaccurate and incomplete disclosure of the OPEB plan description, the funding policy, and the annual OPEB and net OPEB obligation.

Cause:

According to Regional Office management, noncompliance with GASB Statement No. 45 was due to budget constraints and the overall complexity of the pronouncement.

Auditors' Recommendation:

We recommend the Regional Office of Education #56 obtain or perform an actuarial valuation of its other postemployment benefit liability to be in compliance with GASB Statement No. 45 and include all disclosures required by the Statement in its financial statements.

Management's Response:

The Regional Office of Education #56 will obtain an actuarial valuation of its other postemployment benefit liability to be in compliance with GASB Statement No. 45, and will include the disclosures required by the Statement where applicable in our financial statements.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

INSTANCES OF NONCOMPLIANCE:

NONE

SIGNIFICANT DEFICIENCIES:

NONE

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

CORRECTIVE ACTION PLAN

Finding No. 10-01 – Controls over Financial Statement Preparation

Condition:

The Regional Office of Education #56 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles.
- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenue. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenue, no entries were provided to reconcile the Regional Office of Education #56's grant activity, such as posting grant receivables and deferred revenue.

Plan:

The Regional Office of Education #56 accepts the degree of risk associated with this condition because the added expense of seeking additional accounting expertise to prepare and/or review financial statements would take away from the funds available to provide educational services for the schools in the region.

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

Anticipated Date of Completion:

Not Applicable

Contact Person Responsible for Corrective Action:

Ms. Jennifer Bertino-Tarrant, Regional Superintendent

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

CORRECTIVE ACTION PLAN (Concluded)

Finding No. 10-02 – Departure from Generally Accepted Accounting Principle

Condition:

The Regional Office of Education #56 participates in a defined benefit OPEB plan that provides postemployment benefits other than pensions to its employees in exchange for employee services rendered. Under accrual accounting, the cost of OPEB, and any related OPEB liability, should generally be recorded in the period when the exchange for the employees' services occurs, rather than when the benefits are paid. Currently, the Regional Office of Education #56's OPEB plan is financed on a pay-as-you-go basis, and as such, the financial statements do not report the financial effects of OPEB until the promised benefits are paid. During fiscal year 2010, the Regional Office of Education #56 had an average of 13 active employees and contributions to the OPEB plan totaled \$121,522. The Regional Office of Education #56 did not obtain an actuarial valuation of its postemployment benefits other than pension liability, or apply the alternative measurement method in order to be in compliance with GASB Statement No. 45.

In the absence of the actuarial valuation, or the application of the alternative measurement method, the auditors could not reasonably determine the amount by which this departure would affect the liabilities, fund balances, and expenditures of the Regional Office of Education #56 as of June 30, 2010.

Plan:

The Regional Office of Education #56 will obtain an actuarial valuation of its other postemployment benefit liability to be in compliance with GASB Statement No. 45, and will include the disclosures required by the Statement where applicable in our financial statements.

Anticipated Date of Completion:

June 30, 2011

Contact Person Responsible for Corrective Action:

Ms. Jennifer Bertino-Tarrant, Regional Superintendent

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

**Finding
No.**

Condition

Current Status

There were no prior year audit findings.

MANAGEMENT DISCUSSION AND ANALYSIS

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

The Will County Regional Office of Education No. 56 (ROE No. 56) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2010 with comparative information for the year ended June 30, 2009. Readers are encouraged to consider the information in conjunction with the ROE No. 56's financial statements that follow.

2010 Financial Highlights

- Within the Governmental Funds, the General Fund revenues decreased by \$152,811 (23%) from \$660,016 in FY 2009 to \$507,205 in FY 2010. General Fund expenditures decreased by \$40,909 (6%) from \$651,811 in FY 2009 to \$610,902 in FY 2010.
- Within the Governmental Funds, the Special Revenue Fund revenues increased by \$554,449 (5%) from \$10,323,031 in FY 2009 to \$10,877,480 in FY 2010. The Special Revenue Fund expenditures decreased by \$267,354 (3%) from \$10,106,742 in FY 2009 to \$9,839,388 in FY 2010.
- The Enterprise Fund revenues decreased by \$131,407 (9%) from \$1,404,101 in FY 2009 to \$1,272,694 in FY 2010. The Enterprise Fund expenditures increased by \$151,508 (10%) from \$1,462,133 in FY 2009 to \$1,310,625 in FY 2010.

Using This Report

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

- *Management's Discussion and Analysis* introduces financial statements and provides an analytical overview of the ROE No. 56's financial activities.
- The *Government-wide financial statements* consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the ROE No. 56 as a whole and present an overall view of the Office's finances.
- *Fund financial statements* report the ROE No. 56's operations in more detail than the government-wide statements by providing information about the most significant funds.
- *Notes to the financial statements* provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- *Required supplementary information* further explains and supports the financial statements and supplementary information provides detailed information about the non-major funds.

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

Reporting the Will County Regional Office as a Whole

It is important to note, that many grants are a cooperative effort of the ROE No. 56 and the Grundy/Kendall Regional Office of Education No. 24. Therefore, these figures may reflect grants that are intended to serve Will County only and grants that serve Will, Grundy, and Kendall Counties.

The Statement of Net Assets and the Statement of Activities

Government-wide Financial Statements

The Government-wide financial statements report information about the ROE No. 56 as a whole. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid using generally accepted accounting principles and GASB 34.

The Government-wide financial statements report the Office's net assets and how they have changed. Net assets - the difference between assets and liabilities - are one way to measure the Office's financial health or position.

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

Fund Financial Statements

The fund financial statements provide detailed information about the ROE No. 56's funds. Funds are accounting devices that allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by State law. The ROE No. 56 established other funds to control and manage money for particular purposes.

The Office has three kinds of funds:

- (1) Governmental funds account for those funds through which most governmental functions of the Office are financed. 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 the year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Office's programs. The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

- (2) Proprietary funds account for resources from fees charged directly to those entities or individuals that use its services. Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by government-wide financial statements. The proprietary funds required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses and Changes in Fund Net Assets and a Statement of Cash Flows.
- (3) Fiduciary funds are used to account for assets held by the ROE No. 56 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds required financial statements include a Statement of Fiduciary Net Assets.

Government-Wide Financial Analysis

As noted earlier, net assets may serve when examined over time as one indicator of the financial position of the ROE No. 56. The net assets at the end of FY 2010 and FY 2009 totaled \$3,861,938 and \$2,375,682, respectively. The analysis that follows provides a summary of the ROE No. 56's net assets as of June 30, 2010 and 2009.

CONDENSED STATEMENT OF NET ASSETS

	<u>CONDENSED STATEMENT OF NET ASSETS</u>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current assets	\$ 3,981,408	\$ 3,488,111	\$ 1,312,927	\$ 1,420,006	\$ 5,294,335	\$ 4,908,117
Capital assets, net	3,240	5,109	4,864	10,402	8,104	15,511
Total assets	<u>3,984,648</u>	<u>3,493,220</u>	<u>1,317,791</u>	<u>1,430,408</u>	<u>5,302,439</u>	<u>4,923,628</u>
Current liabilities	1,385,327	2,422,474	55,174	125,472	1,440,501	2,547,946
Total liabilities	<u>1,385,327</u>	<u>2,422,474</u>	<u>55,174</u>	<u>125,472</u>	<u>1,440,501</u>	<u>2,547,946</u>
Net assets:						
Invested in capital assets	3,240	5,109	4,864	10,402	8,104	15,511
Restricted for teacher professional development	589,116	516,531	-	-	589,116	516,531
Unrestricted, restated	2,006,965	549,106	1,257,753	1,294,534	3,264,718	1,843,640
Total net assets	<u>\$ 2,599,321</u>	<u>\$ 1,070,746</u>	<u>\$ 1,262,617</u>	<u>\$ 1,304,936</u>	<u>\$ 3,861,938</u>	<u>\$ 2,375,682</u>

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

The ROE No. 56's net assets increased by \$1,486,256 (63%) from FY 2009. The increase occurred in the Education Fund primarily due to the increase in grant funding level for the General State Aid and in the Institute Fund due to an increase in certificate renewals. In addition, net assets related to the Teacher Institute Fund are considered restricted for teacher professional development.

CHANGES IN NET ASSETS

The following analysis shows the changes in net assets for the years ended June 30, 2009 and 2010.

CHANGES IN NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Operating grants and contributions	\$ 7,725,022	\$ 10,522,953	\$ -	\$ -	\$ 7,725,022	\$ 10,522,953
General revenues:						
Local sources	212,401	32,242	-	-	212,401	32,242
State sources	2,770,231	-	-	-	2,770,231	-
Federal sources	934,805	-	-	-	934,805	-
On-behalf payments - state	313,068	277,697	-	-	313,068	277,697
Charges for services	-	141,368	1,272,164	1,384,961	1,272,164	1,526,329
Interest	15,819	8,787	530	19,140	16,349	27,927
Total revenues	<u>11,971,346</u>	<u>10,983,047</u>	<u>1,272,694</u>	<u>1,404,101</u>	<u>13,244,040</u>	<u>12,387,148</u>
Expenses:						
Programs expenses:						
Salaries and benefits	1,377,237	1,564,492	570,183	458,816	1,947,420	2,023,308
Purchased services	1,975,954	1,928,048	611,279	820,912	2,587,233	2,748,960
Supplies and materials	171,978	99,311	107,514	164,037	279,492	263,348
Other objects	17,294	23,032	11,111	5,498	28,405	28,530
Payments to other governments	6,594,759	6,849,222	-	-	6,594,759	6,849,222
Capital outlay	-	16,751	-	6,702	-	23,453
Depreciation	1,869	7,735	5,538	6,168	7,407	13,903
Administrative expenses:						
On-behalf payments - state	313,068	277,697	-	-	313,068	277,697
Total expenses	<u>10,452,159</u>	<u>10,766,288</u>	<u>1,305,625</u>	<u>1,462,133</u>	<u>11,757,784</u>	<u>12,228,421</u>
Changes in net assets	1,519,187	216,759	(32,931)	(58,032)	1,486,256	158,727
Net assets, beginning of year, Restated	<u>1,080,134</u>	<u>853,987</u>	<u>1,295,548</u>	<u>1,362,968</u>	<u>2,375,682</u>	<u>2,216,955</u>
Net assets, end of year	<u>\$ 2,599,321</u>	<u>\$ 1,070,746</u>	<u>\$ 1,262,617</u>	<u>\$ 1,304,936</u>	<u>\$ 3,861,938</u>	<u>\$ 2,375,682</u>

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

Governmental Activities

Revenues for governmental activities were \$11,971,346 and expenses were \$10,452,159. The increase in program revenues was mainly due to the receipt of additional General State Aid funds totaling \$488,774, authorized by the American Recovery and Reinvestment Act (ARRA) of 2010, with the goal of delivering emergency education funding to states. Revenues for the Title I - School Improvement and Accountability grant likewise increased by \$113,622 primarily due to FY 2009 revenues that were deferred in FY 2009 but were recognized in FY 2010. The total grant funding for this program increased by \$100,000 from the FY 2009 grant and FY 2010 grant. The Regional Office has been able to hold expenses to a similar level as FY 2009.

Business-Type Activities

Revenues for business-type activities were \$1,272,694 and expenditures were \$1,305,625. The decrease in revenues is attributed to the decrease in workshop attendance for the Master's and Doctoral programs conducted in FY 2010.

Financial Analysis of the ROE No. 56 Funds

As previously noted, the ROE No. 56 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency's Governmental Funds reported combined fund balances amounting to \$2,025,239.

Governmental Fund Highlights

- State funding, other than ARRA - General State Aid, of Regional Offices of Education has continued to decrease compared to the previous year.
- The dollar return on investments (certificate of deposit, short-term investments and interest earned on a float) did not increase due to low interest rates.
- County support for the ROE No. 56 decreased from the previous year's funding level.
- The Regional Safe Schools Program was able to maintain services due to an increase in the funding level of ARRA - General State Aid.

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

Proprietary Fund Highlights

Total proprietary fund net assets decreased by \$42,319 (3%); \$32,931 of the decrease represents current year change in net assets and \$9,388 of the decrease is related to the restatement of beginning net assets detailed in Note 13. The decrease in the proprietary fund net assets is due mainly to the decrease in interest income and the overall decrease in workshop participation by the school districts from FY 2009.

Budgetary Highlights

The ROE No. 56 annually adopts budgets for several funds. The Professional Development Alliance (PDA) Budget is prepared by the Executive Director of the PDA and approved by a joint Governing Board representing Will, Grundy, & Kendall Counties. The Regional Safe Schools Budget is approved by a similar board. The Education-To-Careers Executive Board approves the budgets for the ETC Partnership and the 21st Century Grant. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the County Board for their approval. The Office Operations Budget covers a fiscal year which runs from December 1 to November 30. All grant budgets are prepared by the Regional Office of Education No. 56 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency.

Capital Assets

ROE No. 56's capital assets include office equipment, computers, audio-visual equipment, and building improvements. The ROE No. 56 maintains an inventory of capital assets which have been accumulated over time. For FY 2010, there were no additions and retirements of capital assets. Depreciation expense for FY 2010 and FY 2009 was \$7,407 and \$13,903, respectively.

Economic Factors and Next Years' Budget

At the time these financial statements were prepared and audited, the Will County Regional Office of Education No. 56 was aware of several existing circumstances that could affect its financial condition in the future:

- The proposed State aid foundation level for FY 2011 has been increased to \$6,119 per student.
- County board support for ROE No. 56 is expected to continue to decrease from the FY 2010 funding level.
- Several federal grants are expected to be received in FY 2011 in the form of general State aid and competitive grants in an effort to reduce the impact of the State's current fiscal deficit on the school district operations.
- The growth in the region is stabilizing. Student population is up by .07% for FY 2011.

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

Contacting the Regional Office's Financial Management

This financial report is designed to provide the ROE No 56's citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent of Schools, Will County Regional Office of Education No. 56, 702 West Maple Street, New Lenox, Illinois 60451.

BASIC FINANCIAL STATEMENTS

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 3,318,486	\$ 1,020,382	\$ 4,338,868
Accounts receivable	3,434	47,225	50,659
Due (to) from other funds	(239,520)	239,520	-
Due from other governments:			
Local	-	5,800	5,800
State	852,009	-	852,009
Federal	46,999	-	46,999
Total Current Assets	<u>3,981,408</u>	<u>1,312,927</u>	<u>5,294,335</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	3,240	4,864	8,104
Total Noncurrent Assets	<u>3,240</u>	<u>4,864</u>	<u>8,104</u>
TOTAL ASSETS	<u>3,984,648</u>	<u>1,317,791</u>	<u>5,302,439</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	239,208	43,929	283,137
Due to other governments:			
Local	873,082	-	873,082
Federal	16,488	-	16,488
Unearned revenue	256,549	11,245	267,794
Total Current Liabilities	<u>1,385,327</u>	<u>55,174</u>	<u>1,440,501</u>
NET ASSETS			
Invested in capital assets	3,240	4,864	8,104
Restricted for teacher professional development	589,116	-	589,116
Unrestricted	2,006,965	1,257,753	3,264,718
TOTAL NET ASSETS	<u>\$ 2,599,321</u>	<u>\$ 1,262,617</u>	<u>\$ 3,861,938</u>

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

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Primary Government:						
Governmental Activities:						
Instructional Services						
Salaries and benefits	\$ 1,377,237	\$ -	\$ 1,158,710	\$ (218,527)	\$ -	\$ (218,527)
Purchased services	1,975,954	-	4,933,489	2,957,535	-	2,957,535
Supplies and materials	171,978	-	147,430	(24,548)	-	(24,548)
Other objects	17,294	-	438	(16,856)	-	(16,856)
Depreciation expense	1,869	-	-	(1,869)	-	(1,869)
Payments to other governments	6,594,759	-	1,484,955	(5,109,804)	-	(5,109,804)
Administrative:						
On-behalf payments - State	313,068	-	-	(313,068)	-	(313,068)
Total Governmental Activities	<u>10,452,159</u>	<u>-</u>	<u>7,725,022</u>	<u>(2,727,137)</u>	<u>-</u>	<u>(2,727,137)</u>
Business-Type Activities:						
Fees for services	1,305,625	1,272,164	-	-	(33,461)	(33,461)
Total Business-Type Activities	<u>1,305,625</u>	<u>1,272,164</u>	<u>-</u>	<u>-</u>	<u>(33,461)</u>	<u>(33,461)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 11,757,784</u>	<u>\$ 1,272,164</u>	<u>\$ 7,725,022</u>	<u>(2,727,137)</u>	<u>(33,461)</u>	<u>(2,760,598)</u>
GENERAL REVENUES:						
				212,401	-	212,401
				2,770,231	-	2,770,231
				934,805	-	934,805
				313,068	-	313,068
				15,819	530	16,349
			Total General Revenues	<u>4,246,324</u>	<u>530</u>	<u>4,246,854</u>
CHANGE IN NET ASSETS				1,519,187	(32,931)	1,486,256
NET ASSETS - BEGINNING, RESTATED				<u>1,080,134</u>	<u>1,295,548</u>	<u>2,375,682</u>
NET ASSETS - ENDING				<u>\$ 2,599,321</u>	<u>\$ 1,262,617</u>	<u>\$ 3,861,938</u>

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

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Institute Fund	Education Fund	Professional Development Alliance	Non-Major Funds	Eliminations	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 29,301	\$ 589,136	\$ 1,464,509	\$ 1,156,223	\$ 79,317	\$ -	\$ 3,318,486
Due from other funds	-	-	568,711	-	-	(808,231)	(239,520)
Due from other governments:							
State	166,559	-	611,634	73,816	-	-	852,009
Federal	-	-	868	46,131	-	-	46,999
Accounts receivable	-	-	-	-	3,434	-	3,434
TOTAL ASSETS	\$ 195,860	\$ 589,136	\$ 2,645,722	\$ 1,276,170	\$ 82,751	\$ (808,231)	\$ 3,981,408
LIABILITIES							
Accounts payable	\$ -	\$ 20	\$ 110,633	\$ 127,071	\$ 1,484	\$ -	\$ 239,208
Due to other funds	166,559	-	568,711	72,961	-	(808,231)	-
Due to other governments:							
Local	-	-	-	873,082	-	-	873,082
Federal	-	-	16,488	-	-	-	16,488
Unearned revenue	111,039	-	461,249	255,103	-	-	827,391
Total Liabilities	277,598	20	1,157,081	1,328,217	1,484	(808,231)	1,956,169
FUND BALANCE (DEFICIT)							
Unreserved, reported in:							
General fund	(81,738)	-	-	-	-	-	(81,738)
Special revenue funds	-	589,116	1,488,641	(52,047)	81,267	-	2,106,977
Total Fund Balance (Deficit)	(81,738)	589,116	1,488,641	(52,047)	81,267	-	2,025,239
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 195,860	\$ 589,136	\$ 2,645,722	\$ 1,276,170	\$ 82,751	\$ (808,231)	\$ 3,981,408

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

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

TOTAL FUND BALANCE — GOVERNMENTAL FUNDS \$ 2,025,239

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 3,240

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

Unearned revenue 570,842
State sources 570,842

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 2,599,321

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

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	General Fund	Institute Fund	Education Fund	Professional Development Alliance	Non-Major Funds	Eliminations	Total Governmental Funds
REVENUES							
Local sources	\$ 27,577	\$ 95,189	\$ -	\$ -	\$ 89,635	\$ -	\$ 212,401
State sources	166,560	-	2,881,009	519,155	4,242	-	3,570,966
On-behalf payments - State	313,068	-	-	-	-	-	313,068
Federal sources	-	-	2,718,544	4,569,706	-	-	7,288,250
Total Revenues	507,205	95,189	5,599,553	5,088,861	93,877	-	11,384,685
EXPENDITURES							
Instructional Services:							
Salaries and benefits	185,578	-	660,358	531,301	-	-	1,377,237
Purchased services	101,536	21,822	861,524	938,817	52,255	-	1,975,954
Supplies and materials	3,356	-	29,619	128,828	10,175	-	171,978
Other objects	7,364	8,907	-	-	1,023	-	17,294
Payments to other governments	-	-	3,043,409	3,551,350	-	-	6,594,759
On-behalf payments	313,068	-	-	-	-	-	313,068
Total Expenditures	610,902	30,729	4,594,910	5,150,296	63,453	-	10,450,290
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(103,697)	64,460	1,004,643	(61,435)	30,424	-	934,395
OTHER FINANCING SOURCES (USES):							
Interest	11,019	8,125	(3,328)	-	3	-	15,819
Total Other Financing Sources (Uses)	11,019	8,125	(3,328)	-	3	-	15,819
NET CHANGE IN FUND BALANCE	(92,678)	72,585	1,001,315	(61,435)	30,427	-	950,214
FUND BALANCE - BEGINNING, RESTATED	10,940	516,531	487,326	9,388	50,840	-	1,075,025
FUND BALANCE (DEFICIT) - ENDING	\$ (81,738)	\$ 589,116	\$ 1,488,641	\$ (52,047)	\$ 81,267	\$ -	\$ 2,025,239

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

WILL COUNTY
 REGIONAL OFFICE OF EDUCATION #56
 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, 2010

NET CHANGE IN FUND BALANCE — GOVERNMENTAL FUNDS \$ 950,214

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.

Depreciation expense (1,869)

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

Unearned revenue 570,842
 State sources 570,842

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 1,519,187

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Business Type Activities - Enterprise Fund		
	Local PDA Funds	Criminal Background Investigation	Total
ASSETS			
Cash and cash equivalents	\$ 1,005,454	\$ 14,928	\$ 1,020,382
Accounts receivable	47,225	-	47,225
Due from other funds	239,520	-	239,520
Due from other governments:			
Local	-	5,800	5,800
Total current assets	<u>1,292,199</u>	<u>20,728</u>	<u>1,312,927</u>
Noncurrent assets:			
Capital assets, being depreciated, net	4,864	-	4,864
Total noncurrent assets	<u>4,864</u>	<u>-</u>	<u>4,864</u>
TOTAL ASSETS	<u>1,297,063</u>	<u>20,728</u>	<u>1,317,791</u>
LIABILITIES			
Accounts payable	39,267	4,662	43,929
Unearned revenue	11,245	-	11,245
Total current liabilities	<u>50,512</u>	<u>4,662</u>	<u>55,174</u>
TOTAL LIABILITIES	<u>50,512</u>	<u>4,662</u>	<u>55,174</u>
NET ASSETS			
Invested in capital assets	4,864	-	4,864
Unrestricted	1,241,687	16,066	1,257,753
TOTAL NET ASSETS	<u>\$ 1,246,551</u>	<u>\$ 16,066</u>	<u>\$ 1,262,617</u>

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

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Business Type Activities - Enterprise Fund		Total
	Local PDA Funds	Criminal Background Investigation	
OPERATING REVENUES			
Fees for services	\$ 1,205,105	\$ 67,059	\$ 1,272,164
Total Operating Revenues	<u>1,205,105</u>	<u>67,059</u>	<u>1,272,164</u>
OPERATING EXPENSES			
Salaries and benefits	570,183	-	570,183
Purchased services	540,232	71,047	611,279
Supplies and materials	107,514	-	107,514
Other objects	11,111	-	11,111
Depreciation	3,648	1,890	5,538
Total Operating Expenses	<u>1,232,688</u>	<u>72,937</u>	<u>1,305,625</u>
OPERATING LOSS	<u>(27,583)</u>	<u>(5,878)</u>	<u>(33,461)</u>
NONOPERATING REVENUE			
Interest	529	1	530
Total Nonoperating Revenue	<u>529</u>	<u>1</u>	<u>530</u>
CHANGE IN NET ASSETS	(27,054)	(5,877)	(32,931)
TOTAL NET ASSETS - BEGINNING, RESTATED	<u>1,273,605</u>	<u>21,943</u>	<u>1,295,548</u>
TOTAL NET ASSETS - ENDING	<u>\$ 1,246,551</u>	<u>\$ 16,066</u>	<u>\$ 1,262,617</u>

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

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Business Type Activities - Enterprise Funds		Totals
	Local PDA Funds	Criminal Background Investigation	
Cash Flows from Operating Activities:			
Receipts from customers	\$ 1,252,986	\$ 61,259	\$ 1,314,245
Payments to suppliers and providers of goods and services	(732,022)	(66,385)	(798,407)
Payments to employees	(570,183)	-	(570,183)
Net Cash Used for Operating Activities	<u>(49,219)</u>	<u>(5,126)</u>	<u>(54,345)</u>
Cash Flows from Noncapital Financing Activities:			
Payments for interfund borrowing, net	(239,520)	-	(239,520)
Net Cash Used for Noncapital Financing Activities	<u>(239,520)</u>	<u>-</u>	<u>(239,520)</u>
Cash Flows from Investing Activities:			
Interest earned	529	1	530
Net Cash Provided by Investing Activities	<u>529</u>	<u>1</u>	<u>530</u>
Net Decrease in Cash	(288,210)	(5,125)	(293,335)
Cash and cash equivalents - Beginning, Restated	1,293,664	20,053	1,313,717
Cash and cash equivalents - Ending	<u>\$ 1,005,454</u>	<u>\$ 14,928</u>	<u>\$ 1,020,382</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:			
Operating Loss	\$ (27,583)	\$ (5,878)	\$ (33,461)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:			
Depreciation	3,648	1,890	5,538
Decrease in Accounts receivable	49,676	-	49,676
Increase in Due from other governments	-	(5,800)	(5,800)
Decrease in Deferred revenue	(1,795)	-	(1,795)
Increase / (Decrease) in Accounts payable	(73,165)	4,662	(68,503)
Net Cash Used for Operating Activities	<u>\$ (49,219)</u>	<u>\$ (5,126)</u>	<u>\$ (54,345)</u>

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

WILL COUNTY
 REGIONAL OFFICE OF EDUCATION #56
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 JUNE 30, 2010

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 18,953
TOTAL ASSETS	\$ 18,953
 LIABILITIES	
Due to other governments	\$ 18,953
TOTAL LIABILITIES	\$ 18,953

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

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Will County Regional Office of Education #56 was created by Illinois Public Act 76-735, as amended effective August 8, 1995, to develop and maintain education service for the school districts in Will County. The Will County Regional Office of Education #56 services 176 public schools and 46 private schools in the 30 districts within the county.

In 2010, the Regional Office of Education #56 implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*; GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. The Regional Office of Education #56 implemented these standards during the current year; however, GASB Statements No. 51, 53, and 58 had no impact on the financial statements.

A. FINANCIAL REPORTING ENTITY

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Will County Regional Office of Education #56's districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

The Regional Superintendent is responsible for inspection and approval or rejection of school 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 under her control are properly bonded.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. FINANCIAL REPORTING ENTITY (Concluded)

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the Will County Regional Office of Education #56, 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, 2010, the Will County Regional Office of Education #56 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 Will County Regional Office of Education #56. Such activities are reported as a single special revenue fund (Education Fund).

B. SCOPE OF THE REPORTING ENTITY

The Will County Regional Office of Education #56 reporting entity includes all related organizations for which they exercise oversight responsibility.

The Will County Regional Office of Education #56 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Will County Regional Office of Education #56, 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 Will County Regional Office of Education #56 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.

Effective August 7, 1995, the Regional Office of Education #56 entered into an intergovernmental agreement with Grundy/Kendall Regional Office of Education #24 to establish the ROE Professional Development Alliance (PDA), the purpose of which is to provide professional development services to the local school districts of Will, Grundy, and Kendall Counties. The governing board consists of the Regional Superintendents of the Regional Offices of Education #s 56 and 24. The Regional Office of Education #56 was designated as the administrative agent and has reported the activity of this agreement in their financial statements.

Other 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 Will County Regional Office of Education #56 does not control their assets, operations, or management. In addition, the Regional Office of Education #56 is not aware of any entity which would exercise such oversight as to result in the Regional Office of Education #56 being considered a component unit of the entity.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Will County Regional Office of Education #56'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 Will County Regional Office of Education #56 has two business-type activities; Local Professional Development Alliance (PDA) Funds and the Criminal Background Investigation. The Local PDA Fund accounts for the revenues and expenditures associated with workshops put on by the Regional Office. The Criminal Background Investigation accounts for the assessments received from the school districts to pay for the processing of fingerprinting the substitute teachers and expenditures incurred providing this service to the school districts.

The Will County Regional Office of Education #56's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental and business-type activities for the Will County Regional Office of Education #56 accompanied by a total column. These statements are presented on an "economic resources" measurement as prescribed by GASB Statement No. 34. All of the Will County Regional Office of Education #56's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services, and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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

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 proprietary funds appear as due to/due from on the governmental fund Balance Sheet and proprietary fund Statement of Net Assets and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Assets. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. 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 Assets have been eliminated except those representing balances between the governmental activities and the business-type activities.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Concluded)

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

D. PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

E. GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles on the modified accrual basis. Under 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, typically 60 days. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for prepaid expenses and other long-term obligations, which are recognized when paid.

Revenue received after the Regional Office’s availability period are reported as deferred revenue in the fund statements and are reported as current revenue in the Statement of Activities.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Will County Regional Office of Education #56; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

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

Under the provision of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Will County Regional Office of Education #56 applies all GASB pronouncements and has elected to apply only the pronouncements issued on or before November 30, 1989 for the following: Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

Under the terms of grant agreements, Will County Regional Office of Education #56 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 Will County Regional Office of Education #56's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

G. FUND ACCOUNTING

The Will County Regional Office of Education #56 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 Will County Regional Office of Education #56 uses governmental, proprietary, and fiduciary funds.

GOVERNMENTAL FUNDS

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

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 Will County Regional Office of Education #56 has presented all major funds that met the above qualifications. The Will County Regional Office of Education #56 reports the following major governmental funds:

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund - The General Fund is used to account for resources traditionally associated with government which are not required, legally or by sound financial management, to be accounted for in another fund. The General Fund is always considered a major fund. The following accounts are included in the General Fund:

ROE/ISC Operations – Accounts for grant monies received for, and payment of, expenditures of the ROE/ISC Operations Fund.

General Operations – Accounts for monies received for, and payment of, expenditures in connection with general administrative activities.

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

Institute - Accounts for registration and renewal fees related to the teachers' certificates. Funds collected from registration and renewal fees are expended to defray costs incidental to the teachers' institutes, conferences, and workshops. All funds generated remain restricted until expended only on the aforementioned activities.

Education – Accounts for grant funds which are restricted as to their use except for those accounted for in the Lambert and Professional Development Alliance Funds. Education funds include:

McKinney Education for Homeless Children – Accounts for grant monies received for and payment of, expenditures associated with a Federal program designed to provide counseling and educational support to homeless children and their families. The programs are funded by a Federal Steward B. McKinney Education for Homeless Children and Youth Grant administered through the Illinois State Board of Education.

Truants Alternative/Optional Education – Accounts for grant monies received for, and payment of, expenses of the Truants Alternative and Optional Education Program.

Title IV – 21st Century Community Learning Centers – 00/05/08/10 – Accounts for monies received for, and payment of, expenditures of the 21st Century Learning Centers Grant. The purpose of this grant is to create community learning centers that provide academic enrichment opportunities for children, particularly students who attend high-poverty and low performing schools.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Major Special Revenue Funds (Continued)

Education (Concluded)

General State Aid – Accounts for grant monies received for, and payment of, expenditures for regional learning academy supplements.

Regional Safe Schools – Accounts for the administration of monies to be used for the Regional Safe Schools Program Fund received from the Illinois State Board of Education.

American Recovery and Reinvestment – General State Aid (ARRA – GSA) – Government – This program accounts for the American Recovery and Reinvestment Act (ARRA) monies used for general salaries.

American Recovery and Reinvestment – General State Aid (ARRA – GSA) – Education – This program accounts for the American Recovery and Reinvestment Act (ARRA) monies for salaries for educational programs.

American Recovery and Reinvestment (ARRA) – McKinney Education for Homeless Children – Accounts for the American Recovery and Reinvestment Act (ARRA) grant monies received for and payment of, expenditures associated with a Federal program designed to provide counseling and educational support to homeless children and their families.

Professional Development Alliance (PDA) – Accounts for State, and federal funded programs designed to meet the indentified needs of the school districts within Will, Grundy, and Kendall Counties. These services are designed to improve the educational opportunities provided to students within these counties. Professional Development Alliance Funds include:

Teacher and Administrators Mentoring – Accounts for grant monies received, and payment of, expenditures incurred for providing high quality professional mentoring programs to new teachers and administrators.

PDA – Regional Safe Schools – Accounts for the administration of monies to be used for the Regional Safe Schools Program Fund received from the Illinois State Board of Education.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Major Special Revenue Funds (Concluded)

PDA (Concluded)

Technology For Success (Formerly Learning Technology Center) – Accounts for monies from State of Illinois for expenditures incurred to create and support ongoing learning teams focused on alignment of classroom level assessment and instruction.

Gifted Education (Will County and Gundy/Kendall County) – This program accounts for the proceeds from a grant from the Illinois State Board of Education to be used toward the development of a diversity guide and training program for teachers to identify and serve gifted students' needs in the classroom.

Title I – Reading First Part B SEA (Will County and Gundy/Kendall County) – This program supports reading initiatives for students in kindergarten through third grade.

Title I – School Improvement and Accountability – Accounts for grant monies received for, and payment of, expenditures of the Title I – School Improvement and Accountability Fund. This grant provides school districts with funds to carry out their school improvement and corrective action responsibilities under Section 1116 (c) of Title I while offering students in schools identified for improvement and corrective action the opportunity to transfer to another higher performing school, including a public charter school within the district.

Title II – Teacher Quality – Leadership Grant – Accounts for grant monies received for, and payment of, expenditures of the Title II – Teacher Quality Leadership Grant.

English Language Learner – Accounts for grant monies received, and payment of, expenditures incurred for trainings provided for English Language Learners program.

Coordination and Services Grant (Title I – School Improvement and Accountability and Title II – Teacher Quality – Leadership Grant) – To account for monies received from the State and federal government to support school improvement services for schools in academic difficulty.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

The Will County Regional Office of Education #56 reports the following nonmajor governmental funds:

Nonmajor Special Revenue Funds – All other special revenue funds not classified under Education Fund or Professional Development Alliance are grouped under this fund for financial statement presentation.

General Education Development (GED) – Accounts for the administration of the GED Testing Program. Revenues consist of fees collected for testing, diplomas, and materials.

Bus Driver Training – Accounts for bus drivers' permit fees which may be expended for bus drivers' refresher courses.

Supervisory – Accounts for State funding used to pay expenses for supervision of school districts in the jurisdiction.

Lambert – Accounts for donations which are used for support, health, welfare and education of worthy poor children residing within Will County.

PROPRIETARY FUNDS

Proprietary Fund – The Proprietary Fund accounts for revenue and expenses related to services provided to organizations inside the Regional Office of Education #56 on a cost-reimbursement basis. The Regional Office of Education #56 reports the following proprietary fund

Local Professional Development Alliance (PDA) Funds – Accounts for the revenues and expenditures associated with workshops put on by the Will County Regional Office of Education #56.

Criminal Background Investigation – Accounts for the assessments received from the school districts to pay for the processing of fingerprinting the substitute teachers and expenditures incurred providing this service to the school districts.

FIDUCIARY FUNDS

Agency Funds – Agency Funds are used to account for assets held by the Regional Office of Education #56 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:

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUNDS (Concluded)

Agency Funds (Concluded)

Will County Area Career Cluster – Accounts for flow-through funding to develop programs designed to align the courses offered through the Perkins grant with actual jobs or high education opportunities.

Statewide Independent Living Council – Accounts for funds received from the Statewide Independent Living Council (SILC) which are disbursed for educational and outreach programs for persons with disabilities.

H. NET ASSETS

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

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

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

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

I. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit. The Will County Regional Office of Education #56 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

J. INVENTORY

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

K. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

K. CAPITAL ASSETS (Concluded)

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.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives (three to five years) of the respective assets.

L. 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.

M. BUDGET INFORMATION

The Will County Regional Office of Education #56 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Fund. Certain programs have separate budgets and are required to report to the Illinois State Board of Education, however, none of the annual budgets have been legally adopted nor are they required to do so. Comparisons of budgeted and actual results are presented as supplemental information.

Budgetary comparison schedules have been provided in supplementary schedules for the following funds: ROE/ISC Operations, McKinney Education for Homeless Children, Truants Alternative/Optional Education, Title IV – 21st Century Community Learning Centers – 05/08/10, Regional Safe Schools, ARRA – McKinney Education for Homeless Children, Teacher and Administrators Mentoring, Technology for Success (Formerly Learning Technology Center), Will County Gifted Education, Grundy/Kendall County Gifted Education, Will County Title I – Reading First Part B SEA, Grundy/Kendall County Title I – Reading First Part B SEA, Title I – School Improvement and Accountability, Title II – Teacher Quality – Leadership Grant, English Language Learner, Title I – School Improvement & Accountability (Coordination and Services), Title II – Teacher Quality – Leadership Grant (Coordination and Services), and Coordination and Services.

NOTE 2 – DEPOSITS AND INVESTMENTS

The *Illinois Compiled Statutes* authorize the Will County Regional Office of Education #56 to make deposits and invest in U.S. Government, State of Illinois and municipal securities, certificates of deposit or time savings deposits insured by the FDIC, mortgage notes, bonds, or debentures issued by the Federal Housing Administration, bonds and other obligations of the Federal National Mortgage Association, commercial paper rated within the three highest classifications by at least two standard rating services, credit union shares, and the Illinois Public Treasurer's Investment Pool.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 2 – DEPOSITS AND INVESTMENTS (Concluded)

A. DEPOSITS

At June 30, 2010, the carrying amount of the Will County Regional Office of Education #56's government-wide and Agency fund deposits were \$4,338,868 and \$18,953, respectively, and the bank balances were \$4,771,870 and \$519,733, respectively. Of the total bank balances as of June 30, 2010, \$378,703 was secured by federal depository insurance and \$214,238 was collateralized by securities pledged by the Will County Regional Office of Education #56's financial institutions in the name of the Regional Office, and \$3,264,003 was secured by repurchase agreements, commercial paper, and U.S. government bonds.

B. INVESTMENTS

The Will County Regional Office of Education #56 does not have a formal investment policy but requires that funds be invested solely in investments authorized by the Public Funds Investment Act, 30 ILCS 235/2. As of June 30, 2010, the Will County Regional Office of Education #56 had investments with a carrying and fair value of \$1,434,659 invested in the Illinois Funds Money Market.

CREDIT RISK

At June 30, 2010, 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 provisions of the Illinois Public Funds Investments Act, 30 ILCS 235. All investments are fully collateralized.

INTEREST RATE RISK

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

CONCENTRATION OF CREDIT RISK

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

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 3 – DEFINED BENEFIT PENSION PLAN

Plan Description. The Regional Office of Education #56’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 #56’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.

Funding Policy. As set by statute, the Will County Regional Office of Education #56’s Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 11.73 percent of annual covered payroll. The Will County Regional Office of Education #56 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For the fiscal year ending December 31, 2009, the Will County Regional Office of Education #56’s annual pension cost of \$79,341 was equal to the Will County Regional Office of Education #56’s required and actual contributions.

A. TREND INFORMATION

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contribution</u>	<u>Net Pension Obligation</u>
12/31/09	\$79,341	100%	\$0
12/31/08	70,259	100%	0
12/31/07	59,849	100%	0

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Will County Regional Office of Education #56's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, valuation was 5 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 82.32 percent funded. The actuarial accrued liability for benefits was \$923,181 and the actuarial value of assets was \$759,959, resulting in an underfunded actuarial accrued liability (UAAL) of \$163,222. The covered payroll (annual payroll of active employees covered by the plan) was \$676,395 and the ratio of the UAAL to the covered payroll was 24 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect 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. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 10 year basis.

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 Will County Regional Office of Education #56 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 of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

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

TRS members include all active non-annuitants 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, 2010, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2009 and 2008.

The State of Illinois makes contributions directly to TRS on behalf of the Will County Regional Office of Education #56’s TRS-covered employees.

On behalf contributions. The State of Illinois makes employer pension contributions on behalf of the Will County Regional Office of Education #56. For the year ended June 30, 2010, State of Illinois contributions were based on 23.38 percent of creditable earnings not paid from federal funds and the Will County Regional Office of Education #56 recognized revenue and expenditures of \$90,934 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2009 and June 30, 2008, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 17.08 percent (\$57,970) and 13.11 percent (\$41,334), respectively.

The Will County Regional Office of Education #56 makes other types of employer contributions directly to TRS.

2.2 formula contributions. Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2010 were \$1,705. Contributions for the years ending June 30, 2009 and June 30, 2008, were \$1,969 and \$1,828, respectively.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the Will County Regional Office of Education #56, there is a statutory requirement for the Will County Regional Office of Education #56 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the State contribution rate to TRS.

For the year ended June 30, 2010, the employer pension contribution was 23.38 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2009 and 2008, the employer pension contribution was 17.08 and 13.11 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2010 salaries totaling \$96,490 were paid from federal and special trust funds that required employer contributions of \$22,559. For the years ended June 30, 2009 and June 30, 2008, required Will County Regional Office of Education #56 contributions were \$15,018 and \$12,678, respectively.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

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

Early Retirement Option. The Will County Regional Office of Education #56 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.

Public Act 94-0004 made changes in the ERO program that were in effect for all ERO retirements in fiscal years 2008 through 2010. The act increased the member and employer contributions and eliminated the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service.

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

For the year ended June 30, 2010, the Regional Office of Education #56 paid no contributions to the ERO program. For the years ended, June 30, 2009 and June 30, 2008, the Regional Office of Education #56 paid no employer ERO contributions.

Salary increases over 6 percent and excess sick leave. Public Act 94-0004 added two new employer contributions to TRS. If the Will County Regional Office of Education #56 grants salary increases over 6 percent and those salaries are used to calculate a retiree’s final average salary, the Will County Regional Office of Education #56 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 years ended June 30, 2010, 2009, and 2008 the Will County Regional Office of Education #56 paid no employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent.

If the Will County Regional Office of Education #56 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the Will County Regional Office of Education #56 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.55 percent of salary during the year ended June 30, 2010.)

For the years ended June 30, 2010, 2009, and 2008 the Will County Regional Office of Education #56 paid no employer contributions to TRS for sick leave days granted in the excess of the normal annual allotment.

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 year ended June 30, 2009. The report for the year ended June 30, 2010, is expected to be available in late 2010. The reports may be obtained by writing to the Teachers’ Retirement System of the State of Illinois, PO Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND

The Regional Office of Education #56 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 Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers’ Retirement System (TRS). Annuitants may participate in the State administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor’s approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the State make a contribution to THIS.

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

On behalf contributions. The State of Illinois makes employer retiree health insurance contributions on behalf of Regional Office of Education #56. State contributions are intended to match contributions to THIS Fund from active members which were 0.84 percent of pay during the year ended June 30, 2010. State of Illinois contributions were \$2,469, and Regional Office of Education #56 recognized revenue and expenditures of this amount during the year.

Had the Regional Office of Education #56 recognized revenue and expenditures for State contributions intended to match active member contributions during the years ended June 30, 2009 and June 30, 2008 under the current standards, the contribution match would have been 0.84 percent of pay or \$2,138 and \$1,986, respectively.

Employer contributions to THIS Fund. The Regional Office of Education #56 also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.63 percent during the years ended June 30, 2010, June 30, 2009, and June 30, 2008. For the year ended June 30, 2010, the Regional Office paid \$1,852 to the THIS Fund. For the years ended June 30, 2009 and 2008, the Regional Office paid \$2,138 and \$1,986 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 obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

WILL COUNTY
 REGIONAL OFFICE OF EDUCATION #56
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2010

NOTE 6 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2010 consist of the following individual due to/from other funds in the governmental fund balance sheet. The balances between governmental funds were eliminated in the government-wide Statement of Net Assets.

	Due From Other Funds	Due To Other Funds
Education Fund	\$ 568,711	\$ 568,711
General Fund	-	166,559
Professional Development Alliance	-	72,961
Proprietary Fund	239,520	-
Total	\$ 808,231	\$ 808,231

NOTE 7 – RISK MANAGEMENT

The Will County Regional Office of Education #56 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 Will County Regional Office of Education #56 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 8 – OPERATING LEASE

Will County Regional Office of Education #56 rents office space from Professional Development Alliance Fund operations. The lease agreement, which commenced in June 2008 will expire in May 2011. Rental expense for the year ended June 30, 2010 was \$96,000.

The future minimum lease payments under this agreement are as follows:

Fiscal Year	Amount
2011	\$ 88,000

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 9 – CAPITAL ASSET ACTIVITY

In accordance with GASB Statement No. 34, the Will County Regional Office of Education #56 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased. The Regional Office's assets are composed of furniture and equipment. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2010:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Governmental Activities:				
Equipment	\$ 60,976	\$ -	\$ -	\$ 60,976
Building Improvements	90,439	-	-	90,439
Governmental Activities Total Assets	<u>151,415</u>	<u>-</u>	<u>-</u>	<u>151,415</u>
Less Accumulated Depreciation	146,306	1,869	-	148,175
Total Accumulated Depreciation	<u>146,306</u>	<u>1,869</u>	<u>-</u>	<u>148,175</u>
Governmental Activities				
Investment in Capital Assets, Net	<u>\$ 5,109</u>	<u>\$ 1,869</u>	<u>\$ -</u>	<u>\$ 3,240</u>
Business-type Activities:				
Equipment	\$ 37,508	\$ -	\$ -	\$ 37,508
Business-type Activities Total Assets	<u>37,508</u>	<u>-</u>	<u>-</u>	<u>37,508</u>
Less Accumulated Depreciation	27,106	5,538	-	32,644
Total Accumulated Depreciation	<u>27,106</u>	<u>5,538</u>	<u>-</u>	<u>32,644</u>
Business-type Activities				
Investment in Capital Assets, Net	<u>\$ 10,402</u>	<u>\$ 5,538</u>	<u>\$ -</u>	<u>\$ 4,864</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, 2010 of \$1,869 and \$5,538 was charged to the governmental activities and the business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

WILL COUNTY
 REGIONAL OFFICE OF EDUCATION #56
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2010

NOTE 10 – ON BEHALF PAYMENTS

The State of Illinois paid the following salaries on behalf of the Will County Regional Office of Education #56:

Regional Superintendent Salary	\$ 100,762
Assistant Regional Superintendent Salary	90,686
Regional Superintendent Fringe Benefit (Includes State paid insurance)	5,894
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	22,323
TRS Pension Contributions	90,934
Teachers' Health Insurance Security (THIS) Fund Contributions	<u>2,469</u>
Total	<u>\$ 313,068</u>

NOTE 11 – DUE TO/FROM OTHER GOVERNMENTS

The Will County Regional Office of Education #56's Education Fund, General Fund, Nonmajor Fund, and Proprietary Fund have funds due from/to various other governmental units which consist of the following:

Due From Other Governments:

<u>Education Fund</u>	
Illinois State Board of Education	\$ 612,502
<u>Professional Development Alliance Fund</u>	
Illinois State Board of Education	119,947
<u>General Fund</u>	
Illinois State Board of Education	166,559
<u>Proprietary Fund</u>	
Local Governments	<u>5,800</u>
Total	<u>\$ 904,808</u>

Due To Other Governments:

<u>Professional Development Alliance Fund</u>	
Local Governments	\$ 873,082
<u>Education Fund</u>	
Illinois State Board of Education	16,448
<u>Fiduciary Fund</u>	
Local Governments	<u>18,953</u>
Total	<u>\$ 908,483</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

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 assets and funds which overexpend appropriations during the year are required to be disclosed.

Because some revenues from the State of Illinois 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. The deferral of the revenues caused deficit fund balances as of June 30, 2010 in the following funds:

<u>Funds with Deficit Fund Balance</u>	<u>Deficit Balance</u>
ROE/ISC Operations	\$ 111,039
Truants Alternative/Optional Education	90,247
Technology for Success (Formerly Learning Technology Center)	52,047
Regional Safe Schools	316,232

NOTE 13 – RESTATEMENT OF NET ASSETS

In prior years, the Professional Development Alliance’s Regional Safe Schools program activities were combined with the Professional Development Alliance Local Fund, which is a proprietary fund. This activity is part of a grant program through the Illinois State Board of Education, which is operated by the Regional Office of Education and has been reclassified to a Professional Development Alliance special revenue fund program.

The following are the effects of these adjustments on the beginning Net Assets for the Governmental and Business-type activities and the beginning fund balance of the governmental funds.

Governmental Activities:

Net Assets, July 1, 2009	\$ 1,070,746
Effect of reclassifying the PDA Regional Safe Schools	9,388
Net Assets, July 1, 2009, Restated	\$ 1,080,134

Business-Type Activities:

Net Assets, July 1, 2009	\$ 1,304,936
Effect of reclassifying the PDA Regional Safe Schools	(9,388)
Net Assets, July 1, 2009, Restated	\$ 1,295,548

Proprietary Funds:

Local PDA Fund Cash Balance, July 1, 2009	\$ 1,303,052
Effect of reclassifying the PDA Regional Safe Schools	(9,388)
Local PDA Fund Cash Balance, July 1, 2009, Restated	\$ 1,293,664

WILL COUNTY
 REGIONAL OFFICE OF EDUCATION #56
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2010

NOTE 13 – RESTATEMENT OF NET ASSETS (Concluded)

Governmental Funds:

Fund Balance, July 1, 2009	\$	1,065,637
Effect of reclassifying the PDA Regional Safe Schools		9,388
Fund Balance, July 1, 2009, Restated	\$	1,075,025

NOTE 14 – SUBSEQUENT EVENTS

The Regional Office of Education #56 has evaluated subsequent events through April 13, 2011, the date which the financial statements were available to be issued.

NOTE 15 – DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The Regional Office of Education #56 did not recognize and disclose postemployment benefits other than pensions (OPEB) as required by Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in their financial statements. In our opinion, disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

The Regional Office has continued to account for post-employment benefits other than pensions on a pay as you go basis and these financial statements therefore exclude a liability for benefits employees have currently earned that will be paid at retirement.

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

WILL COUNTY
 REGIONAL OFFICE OF EDUCATION #56
 ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF FUNDING PROGRESS
 (UNAUDITED)
 JUNE 30, 2010

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)
12/31/09	\$ 759,959	\$ 923,181	\$ 163,222	82.32%	\$ 676,395	24.13%
12/31/08	701,024	789,674	88,650	88.77%	627,870	14.12%
12/31/07	578,312	677,910	99,598	85.31%	541,132	18.41%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$737,781.

On a market basis, the funded ratio would be 79.92%.

OTHER SUPPLEMENTAL INFORMATION

WILL COUNTY
 REGIONAL OFFICE OF EDUCATION #56
 ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF FUNDING PROGRESS
 (UNAUDITED)
 JUNE 30, 2010

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)
12/31/09	\$ 759,959	\$ 923,181	\$ 163,222	82.32%	\$ 676,395	24.13%
12/31/08	701,024	789,674	88,650	88.77%	627,870	14.12%
12/31/07	578,312	677,910	99,598	85.31%	541,132	18.41%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$737,781.

On a market basis, the funded ratio would be 79.92%.

WILL COUNTY
 REGIONAL OFFICE OF EDUCATION #56
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2010

	ROE/ISC Operations	General Operations	TOTALS
ASSETS			
Cash and cash equivalents	\$ -	\$ 29,301	\$ 29,301
Due from other governments			
State	166,559	-	166,559
TOTAL ASSETS	\$ 166,559	\$ 29,301	\$ 195,860
LIABILITIES			
Due to other funds	\$ 166,559	\$ -	\$ 166,559
Unearned revenue	111,039	-	111,039
Total Liabilities	277,598	-	277,598
FUND BALANCE (DEFICIT)			
Unreserved	(111,039)	29,301	(81,738)
Total Fund Balance (Deficit)	(111,039)	29,301	(81,738)
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 166,559	\$ 29,301	\$ 195,860

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2010

	ROE/ISC Operations	General Operations	TOTALS
REVENUES			
Local sources	\$ -	\$ 27,577	\$ 27,577
State sources	166,560	-	166,560
On-behalf payments - State	-	313,068	313,068
Total Revenues	<u>166,560</u>	<u>340,645</u>	<u>507,205</u>
EXPENDITURES			
Salaries and benefits	185,578	-	185,578
Purchased services	92,021	9,515	101,536
Supplies and materials	-	3,356	3,356
Other objects	-	7,364	7,364
On-behalf payments	-	313,068	313,068
Total Expenditures	<u>277,599</u>	<u>333,303</u>	<u>610,902</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(111,039)</u>	<u>7,342</u>	<u>(103,697)</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	11,019	11,019
Total Other Financing Sources (Uses)	<u>-</u>	<u>11,019</u>	<u>11,019</u>
NET CHANGE IN FUND BALANCE	<u>(111,039)</u>	<u>18,361</u>	<u>(92,678)</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>10,940</u>	<u>10,940</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (111,039)</u>	<u>\$ 29,301</u>	<u>\$ (81,738)</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of August 31, 2009 to June 30, 2010)
GENERAL FUND ACCOUNT
ROE/ISC OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 237,394	\$ 277,599	\$ 166,560
Total Revenue	<u>237,394</u>	<u>277,599</u>	<u>166,560</u>
EXPENDITURES			
Salaries and benefits	170,961	185,576	185,578
Purchased services	66,433	92,023	92,021
Total Expenditures	<u>237,394</u>	<u>277,599</u>	<u>277,599</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(111,039)</u>
NET CHANGE IN FUND BALANCE	-	-	(111,039)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (111,039)</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2010

	McKinney Education for Homeless Children	Truants Alternative/Optional Education	Title IV - 21st Century Community Learning Centers - 00	Title IV - 21st Century Community Learning Centers - 05
ASSETS				
Cash and cash equivalents	\$ 33,313	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-
Due from other governments:				
State	-	137,286	-	-
Federal	868	-	-	-
TOTAL ASSETS	\$ 34,181	\$ 137,286	\$ -	\$ -
LIABILITIES				
Accounts payable	\$ 1,080	\$ 15,391	\$ -	\$ -
Due to other funds	-	120,618	-	-
Due to other governments:				
Federal	-	-	-	-
Unearned revenue	33,101	91,524	-	-
Total Liabilities	34,181	227,533	-	-
FUND BALANCE (DEFICIT)				
Unreserved	-	(90,247)	-	-
Total Fund Balance (Deficit)	-	(90,247)	-	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 34,181	\$ 137,286	\$ -	\$ -

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2010

	Title IV - 21st Century Community Learning Centers - 08	Title IV - 21st Century Community Learning Centers - 10	General State Aid	Regional Safe Schools
ASSETS				
Cash and cash equivalents	\$ 40,390	\$ 47,898	\$ 1,326,409	\$ -
Due from other funds	-	-	568,711	-
Due from other governments:				
State	-	-	-	474,348
Federal	-	-	-	-
TOTAL ASSETS	\$ 40,390	\$ 47,898	\$ 1,895,120	\$ 474,348
LIABILITIES				
Accounts payable	\$ 40,390	\$ 28,074	-	\$ 25,698
Due to other funds	-	-	-	448,093
Due to other governments:				
Federal	-	-	-	-
Unearned revenue	-	19,824	-	316,789
Total Liabilities	40,390	47,898	-	790,580
FUND BALANCE (DEFICIT)				
Unreserved	-	-	1,895,120	(316,232)
Total Fund Balance (Deficit)	-	-	1,895,120	(316,232)
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 40,390	\$ 47,898	\$ 1,895,120	\$ 474,348

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2010

	ARRA - GSA - Government	ARRA - GSA - Education	ARRA - McKinney Education for Homeless Children	TOTALS
ASSETS				
Cash and cash equivalents	\$ 4	\$ 7	\$ 16,488	\$ 1,464,509
Due from other funds	-	-	-	568,711
Due from other governments:				
State	-	-	-	611,634
Federal	-	-	-	868
TOTAL ASSETS	\$ 4	\$ 7	\$ 16,488	\$ 2,645,722
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 110,633
Due to other funds	-	-	-	568,711
Due to other governments:				
Federal	-	-	16,488	16,488
Unearned revenue	4	7	-	461,249
Total Liabilities	4	7	16,488	1,157,081
FUND BALANCE (DEFICIT)				
Unreserved	-	-	-	1,488,641
Total Fund Balance (Deficit)	-	-	-	1,488,641
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 4	\$ 7	\$ 16,488	\$ 2,645,722

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2010

	McKinney Education for Homeless Children	Truants Alternative/Optional Education	Title IV - 21st Century Community Learning Centers - 00	Title IV - 21st Century Community Learning Centers - 05
REVENUES				
State sources	\$ -	\$ 160,162	\$ -	\$ -
Federal sources	432,831	-	-	-
Total Revenues	<u>432,831</u>	<u>160,162</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Salaries and benefits	-	-	-	-
Purchased services	232,557	-	-	7,668
Supplies and materials	4,203	-	463	1
Payments to other governments	198,215	251,686	-	-
Total Expenditures	<u>434,975</u>	<u>251,686</u>	<u>463</u>	<u>7,669</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,144)</u>	<u>(91,524)</u>	<u>(463)</u>	<u>(7,669)</u>
OTHER FINANCING SOURCES (USES):				
Interest	10	-	-	1
Total Other Financing Sources (Uses)	<u>10</u>	<u>-</u>	<u>-</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	(2,134)	(91,524)	(463)	(7,668)
FUND BALANCE - BEGINNING	<u>2,134</u>	<u>1,277</u>	<u>463</u>	<u>7,668</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ (90,247)</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2010

	Title IV - 21st Century Community <u>Learning Centers - 08</u>	Title IV - 21st Century Community <u>Learning Centers - 10</u>	General State Aid	Regional Safe Schools
REVENUES				
State sources	\$ -	\$ -	\$ 2,199,389	\$ 521,458
Federal sources	708,750	649,056	-	-
Total Revenues	<u>708,750</u>	<u>649,056</u>	<u>2,199,389</u>	<u>521,458</u>
EXPENDITURES				
Salaries and benefits	347,387	312,971	-	-
Purchased services	295,631	276,418	-	-
Supplies and materials	14,886	8,682	1,201	-
Payments to other governments	50,985	50,985	774,817	838,247
Total Expenditures	<u>708,889</u>	<u>649,056</u>	<u>776,018</u>	<u>838,247</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(139)</u>	<u>-</u>	<u>1,423,371</u>	<u>(316,789)</u>
OTHER FINANCING SOURCES (USES):				
Interest	(3,369)	-	30	-
Total Other Financing Sources (Uses)	<u>(3,369)</u>	<u>-</u>	<u>30</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(3,508)</u>	<u>-</u>	<u>1,423,401</u>	<u>(316,789)</u>
FUND BALANCE - BEGINNING	<u>3,508</u>	<u>-</u>	<u>471,719</u>	<u>557</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,895,120</u>	<u>\$ (316,232)</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2010

	ARRA - GSA - Government	ARRA - GSA - Education	ARRA - McKinney Education for Homeless Children	TOTALS
REVENUES				
State sources	\$ -	\$ -	\$ -	\$ 2,881,009
Federal sources	122,193	366,581	439,133	2,718,544
Total Revenues	<u>122,193</u>	<u>366,581</u>	<u>439,133</u>	<u>5,599,553</u>
EXPENDITURES				
Salaries and benefits	-	-	-	660,358
Purchased services	-	-	49,250	861,524
Supplies and materials	-	-	183	29,619
Payments to other governments	122,193	366,581	389,700	3,043,409
Total Expenditures	<u>122,193</u>	<u>366,581</u>	<u>439,133</u>	<u>4,594,910</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,004,643</u>
OTHER FINANCING SOURCES (USES):				
Interest	-	-	-	(3,328)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,328)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,001,315</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>487,326</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,488,641</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2009 to August 31, 2010)
EDUCATION FUND ACCOUNT
MCKINNEY EDUCATION FOR HOMELESS CHILDREN
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 452,034	\$ 464,758	\$ 432,831
Total Revenue	<u>452,034</u>	<u>464,758</u>	<u>432,831</u>
EXPENDITURES			
Purchased services	197,350	220,074	232,557
Supplies and materials	10,234	1,334	4,203
Capital outlay	2,500	400	-
Payments to other governments	241,950	242,950	198,215
Total Expenditures	<u>452,034</u>	<u>464,758</u>	<u>434,975</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(2,144)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	10
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>10</u>
NET CHANGE IN FUND BALANCE	-	-	(2,134)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>2,134</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2009 to June 30, 2010)
EDUCATION FUND ACCOUNT
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 251,686	\$ 251,686	\$ 160,162
Total Revenue	<u>251,686</u>	<u>251,686</u>	<u>160,162</u>
EXPENDITURES			
Payments to other governments	251,686	251,686	251,686
Total Expenditures	<u>251,686</u>	<u>251,686</u>	<u>251,686</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(91,524)</u>
NET CHANGE IN FUND BALANCE	-	-	(91,524)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>1,277</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (90,247)</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2009 to June 30, 2010)
EDUCATION FUND ACCOUNT
TITLE IV - 21ST CENTURY COMMUNITY LEARNING CENTERS - 05
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 743,200	\$ 743,200	\$ -
Total Revenue	<u>743,200</u>	<u>743,200</u>	<u>-</u>
EXPENDITURES			
Salaries and benefits	350,044	350,044	-
Purchased services	369,669	369,669	7,668
Supplies and materials	23,487	23,487	1
Total Expenditures	<u>743,200</u>	<u>743,200</u>	<u>7,669</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(7,669)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	1
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	-	-	(7,668)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>7,668</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2009 to August 31, 2010)
EDUCATION FUND ACCOUNT
TITLE IV - 21ST CENTURY COMMUNITY LEARNING CENTERS - 08
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 787,500	\$ 787,500	\$ 708,750
Total Revenue	<u>787,500</u>	<u>787,500</u>	<u>708,750</u>
EXPENDITURES			
Salaries and benefits	387,475	387,475	347,387
Purchased services	327,535	327,535	295,631
Supplies and materials	25,990	25,990	14,886
Payments to other governments	46,500	46,500	50,985
Total Expenditures	<u>787,500</u>	<u>787,500</u>	<u>708,889</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(139)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	(3,369)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(3,369)</u>
NET CHANGE IN FUND BALANCE	-	-	(3,508)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>3,508</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2009 to August 31, 2010)
EDUCATION FUND ACCOUNT
TITLE IV - 21ST CENTURY COMMUNITY LEARNING CENTERS - 10
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 743,200	\$ 743,200	\$ 649,056
Total Revenue	<u>743,200</u>	<u>743,200</u>	<u>649,056</u>
EXPENDITURES			
Salaries and benefits	343,312	343,312	312,971
Purchased services	324,321	324,321	276,418
Supplies and materials	29,067	29,067	8,682
Payments to other governments	46,500	46,500	50,985
Total Expenditures	<u>743,200</u>	<u>743,200</u>	<u>649,056</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2009 to August 31, 2010)
EDUCATION FUND ACCOUNT
REGIONAL SAFE SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 869,637	\$ 869,637	\$ 521,458
Total Revenue	<u>869,637</u>	<u>869,637</u>	<u>521,458</u>
EXPENDITURES			
Payments to other governments	869,637	869,637	838,247
Total Expenditures	<u>869,637</u>	<u>869,637</u>	<u>838,247</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(316,789)</u>
NET CHANGE IN FUND BALANCE	-	-	(316,789)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>557</u>
FUND BALANCE (DEFICIT) - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (316,232)</u></u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 20, 2009 to June 30, 2010)
EDUCATION FUND ACCOUNT
ARRA - MCKINNEY EDUCATION FOR HOMELESS CHILDREN
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 465,701	\$ 464,758	\$ 439,133
Total Revenue	<u>465,701</u>	<u>464,758</u>	<u>439,133</u>
EXPENDITURES			
Purchased services	211,517	209,532	49,250
Supplies and materials	9,234	1,334	183
Capital outlay	2,000	400	-
Payments to other governments	242,950	253,492	389,700
Total Expenditures	<u>465,701</u>	<u>464,758</u>	<u>439,133</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING SCHEDULE OF ACCOUNTS
PROFESSIONAL DEVELOPMENT ALLIANCE
JUNE 30, 2010

	Teacher & Administrators Mentoring	PDA Regional Safe Schools	Technology for Success	Will County Gifted Education
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 129,936
Due from other governments:				
State	-	-	73,816	-
Federal	-	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ 73,816	\$ 129,936
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 855	\$ 36,848
Due to other funds	-	-	72,961	-
Due to other governments:				
Local	-	-	-	-
Unearned revenue	-	-	52,047	93,088
Total Liabilities	-	-	125,863	129,936
FUND BALANCE (DEFICIT)				
Unreserved	-	-	(52,047)	-
Total Fund Balance (Deficit)	-	-	(52,047)	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ -	\$ -	\$ 73,816	\$ 129,936

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING SCHEDULE OF ACCOUNTS
PROFESSIONAL DEVELOPMENT ALLIANCE
JUNE 30, 2010

	Grundy/Kendall County Gifted Education	Will County Title I - Reading First Part B SEA	Grundy/Kendall County Title I - Reading First Part B SEA	Title I - School Improvement & Accountability
ASSETS				
Cash and cash equivalents	\$ 40,965	\$ 41,554	\$ 5,490	\$ 851,246
Due from other governments:				
State	-	-	-	-
Federal	-	-	-	-
TOTAL ASSETS	\$ 40,965	\$ 41,554	\$ 5,490	\$ 851,246
LIABILITIES				
Accounts payable	\$ 11,127	\$ 18,603	\$ 1,310	\$ 55,273
Due to other funds	-	-	-	-
Due to other governments:				
Local	-	16,663	-	726,311
Unearned revenue	29,838	6,288	4,180	69,662
Total Liabilities	40,965	41,554	5,490	851,246
FUND BALANCE (DEFICIT)				
Unreserved	-	-	-	-
Total Fund Balance (Deficit)	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 40,965	\$ 41,554	\$ 5,490	\$ 851,246

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING SCHEDULE OF ACCOUNTS
PROFESSIONAL DEVELOPMENT ALLIANCE
JUNE 30, 2010

	Title II - Teacher Quality - Leadership Grant	English Language Learner	Title I - School Improvement & Accountability (Coordination and Services)	Title II - Teacher Quality - Leadership Grant (Coordination and Services)
ASSETS				
Cash and cash equivalents	\$ 86,727	\$ 305	\$ -	\$ -
Due from other governments:				
State	-	-	-	-
Federal	46,131	-	-	-
TOTAL ASSETS	\$ 132,858	\$ 305	\$ -	\$ -
LIABILITIES				
Accounts payable	\$ 2,750	\$ 305	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governments:				
Local	130,108	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	132,858	305	-	-
FUND BALANCE (DEFICIT)				
Unreserved	-	-	-	-
Total Fund Balance (Deficit)	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 132,858	\$ 305	\$ -	\$ -

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING SCHEDULE OF ACCOUNTS
PROFESSIONAL DEVELOPMENT ALLIANCE
JUNE 30, 2010

	Coordination & Services	TOTALS
ASSETS		
Cash and cash equivalents	\$ -	\$ 1,156,223
Due from other governments:		
State	-	73,816
Federal	-	46,131
TOTAL ASSETS	\$ -	\$ 1,276,170
LIABILITIES		
Accounts payable	\$ -	\$ 127,071
Due to other funds	-	72,961
Due to other governments:		
Local	-	873,082
Unearned revenue	-	255,103
Total Liabilities	-	1,328,217
FUND BALANCE (DEFICIT)		
Unreserved	-	(52,047)
Total Fund Balance (Deficit)	-	(52,047)
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)		
	\$ -	\$ 1,276,170

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2010

	Teacher & Administrators Mentoring	PDA Regional Safe Schools	Technology for Success	Will County Gifted Education
REVENUES				
State sources	\$ 21,005	\$ 31,390	\$ 94,882	\$ 157,867
Federal sources	-	-	-	-
Total Revenues	<u>21,005</u>	<u>31,390</u>	<u>94,882</u>	<u>157,867</u>
EXPENDITURES				
Salaries and benefits	-	4,634	117,853	33,552
Purchased services	13,539	34,995	16,367	38,338
Supplies and materials	2,666	1,149	12,709	33,977
Payments to other governments	4,800	-	-	52,000
Total Expenditures	<u>21,005</u>	<u>40,778</u>	<u>146,929</u>	<u>157,867</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(9,388)</u>	<u>(52,047)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(9,388)	(52,047)	-
FUND BALANCE - BEGINNING, RESTATED	<u>-</u>	<u>9,388</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (52,047)</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2010

	Grundy/Kendall County Gifted Education	Will County Title I - Reading First Part B SEA	Grundy/Kendall County Title I - Reading First Part B SEA	Title I - School Improvement & Accountability
REVENUES				
State sources	\$ 70,674	\$ -	\$ -	\$ -
Federal sources	-	68,410	4,095	3,158,553
Total Revenues	<u>70,674</u>	<u>68,410</u>	<u>4,095</u>	<u>3,158,553</u>
EXPENDITURES				
Salaries and benefits	21,086	6,696	2,215	269,718
Purchased services	17,491	24,918	-	461,941
Supplies and materials	12,847	9,460	1,880	29,997
Payments to other governments	19,250	27,336	-	2,396,897
Total Expenditures	<u>70,674</u>	<u>68,410</u>	<u>4,095</u>	<u>3,158,553</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - BEGINNING, RESTATED	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2010

	Title II - Teacher Quality - Leadership Grant	English Language Learner	Title I - School Improvement & Accountability (Coordination and Services)	Title II - Teacher Quality - Leadership Grant (Coordination and Services)
REVENUES				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	366,411	4,000	862,237	106,000
Total Revenues	<u>366,411</u>	<u>4,000</u>	<u>862,237</u>	<u>106,000</u>
EXPENDITURES				
Salaries and benefits	21,740	-	40,359	4,831
Purchased services	39,490	4,000	199,083	1,945
Supplies and materials	3,000	-	8,182	6,340
Payments to other governments	302,181	-	614,613	92,884
Total Expenditures	<u>366,411</u>	<u>4,000</u>	<u>862,237</u>	<u>106,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - BEGINNING, RESTATED	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
 REGIONAL OFFICE OF EDUCATION #56
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2010

	Coordination & Services	TOTALS
REVENUES		
State sources	\$ 143,337	\$ 519,155
Federal sources	-	4,569,706
Total Revenues	143,337	5,088,861
EXPENDITURES		
Salaries and benefits	8,617	531,301
Purchased services	86,710	938,817
Supplies and materials	6,621	128,828
Payments to other governments	41,389	3,551,350
Total Expenditures	143,337	5,150,296
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(61,435)
NET CHANGE IN FUND BALANCE	-	(61,435)
FUND BALANCE - BEGINNING, RESTATED	-	9,388
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ (52,047)

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of April 1, 2009 to August 31, 2009)
PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNT
TEACHER AND ADMINISTRATORS MENTORING
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 28,915	\$ 28,915	\$ 21,005
Total Revenue	<u>28,915</u>	<u>28,915</u>	<u>21,005</u>
EXPENDITURES			
Purchased services	14,875	17,800	13,539
Supplies and materials	5,040	2,115	2,666
Payments to other governments	9,000	9,000	4,800
Total Expenditures	<u>28,915</u>	<u>28,915</u>	<u>21,005</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2009 to September 30, 2010)
PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNT
TECHNOLOGY FOR SUCCESS
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 146,231	\$ 152,831	\$ 94,882
Total Revenue	<u>146,231</u>	<u>152,831</u>	<u>94,882</u>
EXPENDITURES			
Salaries and benefits	122,669	122,669	117,853
Purchased services	10,062	16,662	16,367
Supplies and materials	3,500	3,500	12,709
Capital outlay	10,000	10,000	-
Total Expenditures	<u>146,231</u>	<u>152,831</u>	<u>146,929</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(52,047)</u>
NET CHANGE IN FUND BALANCE	-	-	(52,047)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (52,047)</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of May 22, 2009 to August 31, 2010)
PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNT
WILL COUNTY GIFTED EDUCATION
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 250,955	\$ 250,955	\$ 157,867
Total Revenue	<u>250,955</u>	<u>250,955</u>	<u>157,867</u>
EXPENDITURES			
Salaries and benefits	54,438	42,438	33,552
Purchased services	39,512	51,512	38,338
Supplies and materials	75,000	75,000	33,977
Payments to other governments	82,005	82,005	52,000
Total Expenditures	<u>250,955</u>	<u>250,955</u>	<u>157,867</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2009 to August 31, 2010)
PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNT
GRUNDY/KENDALL COUNTY GIFTED EDUCATION
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 100,512	\$ 100,512	\$ 70,674
Total Revenue	<u>100,512</u>	<u>100,512</u>	<u>70,674</u>
EXPENDITURES			
Salaries and benefits	30,260	28,260	21,086
Purchased services	34,840	17,840	17,491
Supplies and materials	10,412	25,750	12,847
Payments to other governments	25,000	28,662	19,250
Total Expenditures	<u>100,512</u>	<u>100,512</u>	<u>70,674</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2009 to August 31, 2010)
PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNT
WILL COUNTY TITLE I - READING FIRST PART B SEA
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 224,094	\$ 224,094	\$ 68,410
Total Revenue	<u>224,094</u>	<u>224,094</u>	<u>68,410</u>
EXPENDITURES			
Salaries and benefits	25,736	25,736	6,696
Purchased services	27,185	59,435	24,918
Supplies and materials	4,688	12,354	9,460
Payments to other governments	166,485	126,569	27,336
Total Expenditures	<u>224,094</u>	<u>224,094</u>	<u>68,410</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2009 to August 31, 2010)
PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNT
GRUNDY/KENDALL COUNTY TITLE I - READING FIRST PART B SEA
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 24,827	\$ 24,827	\$ 4,095
Total Revenue	<u>24,827</u>	<u>24,827</u>	<u>4,095</u>
EXPENDITURES			
Salaries and benefits	5,022	5,022	2,215
Purchased services	9,484	9,484	-
Supplies and materials	4,021	4,021	1,880
Payments to other governments	6,300	6,300	-
Total Expenditures	<u>24,827</u>	<u>24,827</u>	<u>4,095</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of September 1, 2009 to June 30, 2010)
PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNT
TITLE I - SCHOOL IMPROVEMENT AND ACCOUNTABILITY
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 3,228,215	\$ 3,228,215	\$ 3,158,553
Total Revenue	<u>3,228,215</u>	<u>3,228,215</u>	<u>3,158,553</u>
EXPENDITURES			
Salaries and benefits	307,922	307,922	269,718
Purchased services	720,139	515,649	461,941
Supplies and materials	32,000	25,000	29,997
Payments to other governments	2,168,154	2,379,644	2,396,897
Total Expenditures	<u>3,228,215</u>	<u>3,228,215</u>	<u>3,158,553</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of September 1, 2009 to June 30, 2010)
PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNT
TITLE II - TEACHER QUALITY - LEADERSHIP GRANT
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 366,411	\$ 366,411	\$ 366,411
Total Revenue	<u>366,411</u>	<u>366,411</u>	<u>366,411</u>
EXPENDITURES			
Salaries and benefits	22,564	22,564	21,740
Purchased services	93,539	33,539	39,490
Supplies and materials	2,000	2,000	3,000
Payments to other governments	248,308	308,308	302,181
Total Expenditures	<u>366,411</u>	<u>366,411</u>	<u>366,411</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
 REGIONAL OFFICE OF EDUCATION #56
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of September 1, 2009 to June 30, 2010)
 PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNT
 ENGLISH LANGUAGE LEARNER
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Federal sources	\$ 4,000	\$ 4,000	\$ 4,000
Total Revenue	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>
EXPENDITURES			
Purchased services	4,000	4,000	4,000
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of September 1, 2008 to August 31, 2009)
PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNT
TITLE I - SCHOOL IMPROVEMENT & ACCOUNTABILITY
(COORDINATION AND SERVICES)
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 3,128,215	\$ 3,128,215	\$ 862,237
Total Revenue	<u>3,128,215</u>	<u>3,128,215</u>	<u>862,237</u>
EXPENDITURES			
Salaries and benefits	234,611	234,611	40,359
Purchased services	766,450	766,450	199,083
Supplies and materials	20,000	20,000	8,182
Payments to other governments	2,107,154	2,107,154	614,613
Total Expenditures	<u>3,128,215</u>	<u>3,128,215</u>	<u>862,237</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of September 1, 2008 to August 31, 2009)
PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNT
TITLE II - TEACHER QUALITY - LEADERSHIP GRANT
(COORDINATION AND SERVICES)
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 514,441	\$ 514,441	\$ 106,000
Total Revenue	<u>514,441</u>	<u>514,441</u>	<u>106,000</u>
EXPENDITURES			
Salaries and benefits	31,041	31,041	4,831
Purchased services	159,171	159,171	1,945
Supplies and materials	9,000	9,000	6,340
Payments to other governments	315,229	315,229	92,884
Total Expenditures	<u>514,441</u>	<u>514,441</u>	<u>106,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of September 1, 2008 to August 31, 2009)
PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNT
COORDINATION AND SERVICES
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 654,925	\$ 654,925	\$ 143,337
Total Revenue	<u>654,925</u>	<u>654,925</u>	<u>143,337</u>
EXPENDITURES			
Salaries and benefits	76,050	76,050	8,617
Purchased services	108,804	108,804	86,710
Supplies and materials	10,064	10,064	6,621
Payments to other governments	460,007	460,007	41,389
Total Expenditures	<u>654,925</u>	<u>654,925</u>	<u>143,337</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
 REGIONAL OFFICE OF EDUCATION #56
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2010

	<u>General Education Development</u>	<u>Bus Driver Training</u>	<u>Supervisory</u>	<u>Lambert</u>	<u>TOTALS</u>
ASSETS					
Cash and cash equivalents	\$ 54,236	\$ 23,787	\$ 538	\$ 756	\$ 79,317
Accounts receivable	-	3,434	-	-	3,434
TOTAL ASSETS	<u>\$ 54,236</u>	<u>\$ 27,221</u>	<u>\$ 538</u>	<u>\$ 756</u>	<u>\$ 82,751</u>
LIABILITIES					
Accounts payable	\$ 1,424	\$ 60	\$ -	\$ -	\$ 1,484
Total Liabilities	<u>1,424</u>	<u>60</u>	<u>-</u>	<u>-</u>	<u>1,484</u>
FUND BALANCE					
Unreserved	<u>52,812</u>	<u>27,161</u>	<u>538</u>	<u>756</u>	<u>81,267</u>
Total Fund Balance	<u>52,812</u>	<u>27,161</u>	<u>538</u>	<u>756</u>	<u>81,267</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 54,236</u>	<u>\$ 27,221</u>	<u>\$ 538</u>	<u>\$ 756</u>	<u>\$ 82,751</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	General Education Development	Bus Driver Training	Supervisory	Lambert	TOTALS
REVENUES					
Local sources	\$ 77,900	\$ 11,735	\$ -	\$ -	\$ 89,635
State sources	-	3,246	996	-	4,242
Total Revenues	<u>77,900</u>	<u>14,981</u>	<u>996</u>	<u>-</u>	<u>93,877</u>
EXPENDITURES					
Purchased services	47,154	5,101	-	-	52,255
Supplies and materials	10,175	-	-	-	10,175
Other objects	195	-	823	5	1,023
Total Expenditures	<u>57,524</u>	<u>5,101</u>	<u>823</u>	<u>5</u>	<u>63,453</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>20,376</u>	<u>9,880</u>	<u>173</u>	<u>(5)</u>	<u>30,424</u>
OTHER FINANCING SOURCES (USES)					
Interest	2	1	-	-	3
Total Other Financing Sources (Uses)	<u>2</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>3</u>
NET CHANGE IN FUND BALANCE	20,378	9,881	173	(5)	30,427
FUND BALANCE - BEGINNING	<u>32,434</u>	<u>17,280</u>	<u>365</u>	<u>761</u>	<u>50,840</u>
FUND BALANCE - ENDING	<u>\$ 52,812</u>	<u>\$ 27,161</u>	<u>\$ 538</u>	<u>\$ 756</u>	<u>\$ 81,267</u>

WILL COUNTY
 REGIONAL OFFICE OF EDUCATION #56
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2010

	Will County Area Career Cluster	Statewide Independent Living Council	TOTAL
ASSETS			
Cash and cash equivalents	\$ -	\$ 18,953	\$ 18,953
TOTAL ASSETS	\$ -	\$ 18,953	\$ 18,953
 LIABILITIES			
Due to other governments	\$ -	\$ 18,953	\$ 18,953
TOTAL LIABILITIES	\$ -	\$ 18,953	\$ 18,953

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<u>WILL COUNTY AREA</u>				
<u>CAREER CLUSTER</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 14,477	\$ 14,477	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 14,477</u>	<u>\$ 14,477</u>	<u>\$ -</u>
LIABILITIES				
Due to other governments	\$ -	\$ 14,477	\$ 14,477	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 14,477</u>	<u>\$ 14,477</u>	<u>\$ -</u>
<u>STATEWIDE INDEPENDENT</u>				
<u>LIVING COUNCIL</u>				
ASSETS				
Cash and cash equivalents	\$ 11,416	\$ 143,354	\$ 135,817	\$ 18,953
Total Assets	<u>\$ 11,416</u>	<u>\$ 143,354</u>	<u>\$ 135,817</u>	<u>\$ 18,953</u>
LIABILITIES				
Due to other governments	\$ 11,416	\$ 143,354	\$ 135,817	\$ 18,953
Total Liabilities	<u>\$ 11,416</u>	<u>\$ 143,354</u>	<u>\$ 135,817</u>	<u>\$ 18,953</u>
<u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 11,416	\$ 157,831	\$ 150,294	\$ 18,953
Total Assets	<u>\$ 11,416</u>	<u>\$ 157,831</u>	<u>\$ 150,294</u>	<u>\$ 18,953</u>
LIABILITIES				
Due to other governments	\$ 11,416	\$ 157,831	\$ 150,294	\$ 18,953
Total Liabilities	<u>\$ 11,416</u>	<u>\$ 157,831</u>	<u>\$ 150,294</u>	<u>\$ 18,953</u>

FEDERAL COMPLIANCE

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

<u>Federal Grantor/Pass Through Grantor, Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # or Contract #</u>	<u>Expenditures 7/1/09-6/30/10</u>
US Department of Education passed through Illinois State Board of Education			
Title I Grants to Local Educational Agencies -			
Title I - School Improvement and Accountability	84.010A	2010-4331-SS	\$ 3,158,553
Title I - School Improvement and Accountability (Coordination and Services)	84.010A	2009-4331-SS	862,237
Total Title I Grants to Local Educational Agencies			<u>4,020,790 (M)</u>
Title IV Grants to Local Educational Agencies -			
Title IV - 21st Century Community Learning Centers	84.287C	2010-4421-08	708,750
Title IV - 21st Century Community Learning Centers	84.287C	2010-4421-10	649,056
Total Title IV Grants to Local Educational Agencies			<u>1,357,806 (M)</u>
Fund for the Improvement of Education -			
Other Federal Programs (English Language Learner)	84.365A	2010-4999-PD	4,000
Education for Homeless Children and Youth -			
McKinney Education for Homeless Children	84.196A	2010-4920-00	432,831
ARRA - McKinney Education for Homeless Children	84.387A	2010-4862-00	439,133
Total Education for Homeless Children and Youth - Cluster			<u>871,964 (M)</u>
Improving Teacher Quality State Grants -			
Title II - Teacher Quality - Leadership Grant	84.367A	2010-4935-SS	366,411
Title II - Teacher Quality - Leadership Grant (Coordination and Services)	84.367A	2009-4935-SS	106,000
Total Improving Teacher Quality State Grants			<u>472,411 (M)</u>
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act -			
ARRA - GSA - Education (SFSF)	84.394A	2010-4850-92	65,860
ARRA - GSA - Education (SFSF)	84.394A	2010-4850-93	300,721
Total CFDA #84.394A			<u>366,581</u>
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act -			
ARRA - GSA - Government (SFSF)	84.397A	2010-4870-92	21,953
ARRA - GSA - Government (SFSF)	84.397A	2010-4870-93	100,240
Total CFDA #84.397A			<u>122,193</u>
Total State Fiscal Stabilization Fund (SFSF) - Cluster			<u>488,774</u>
Total US Department of Education passed through Illinois State Board of Education			<u>7,215,745</u>
US Department of Education CFDA #84.357A passed through Regional Office of Education #24			
Reading First State Grants -			
Title I- Reading First Part B SEA	84.357A	2010-4337-00	4,095
passed through Illinois State Board of Education			
Reading First State Grants -			
Title I- Reading First Part B SEA	84.357A	2010-4337-00	68,410
Total U.S. Department of Education CFDA #84.357A			<u>72,505</u>
Total Expenditures of Federal Awards			<u>\$ 7,288,250</u>

(M) Program was audited as a major program.

WILL COUNTY
 REGIONAL OFFICE OF EDUCATION #56
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Will County Regional Office of Education #56 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented on this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – SUB-RECIPIENTS

Of the federal expenditures presented in the schedule, Will County Regional Office of Education #56 provided federal awards to sub-recipients as follows:

<u>Program Title</u>	<u>Federal CFDA #</u>	<u>Amount provided to subrecipients</u>
Title IV – 21 st Century Community Learning Centers 08/10	84.287C	\$ 101,970
Title II - Teacher Quality – Leadership Grant	84.367A	302,181
ARRA - McKinney Education for Homeless Children	84.387A	389,700
McKinney Education for Homeless Children	84.196A	198,215
ARRA – GSA – Education	84.394A	366,581
ARRA – GSA – Government	84.397A	122,193
Will County – Title I – Reading First Part B SEA	84.357A	27,336
Title I – School Improvement & Accountability	84.010A	2,396,897
Title I – School Improvement & Accountability (Coordination and Services)	84.010A	614,613
Title II – Teacher Quality – Leadership Grant (Coordination and Services)	84.367A	92,884

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

Title I – School Improvement and Accountability – Accounts for grant monies received for, and payment of, expenditures of the Title I – School Improvement and Accountability Fund. This grant provides school districts with funds to carry out their school improvement and corrective action responsibilities under Section 1116 (c) of Title I while offering students in schools identified for improvement and corrective action the opportunity to transfer to another higher performing school, including a public charter school within the district.

Title I – School Improvement and Accountability (Coordination and Services) – To account for monies received from the State and federal government to support school improvement services for schools in academic difficulty

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM (Concluded)

Title IV – 21st Century Community Learning Centers –08/10 –This grant was created to create community learning centers that provide academic enrichment opportunities for children, particularly students who attend high-poverty and low performing schools.

American Recovery and Reinvestment (ARRA) – McKinney Education for Homeless Children – Accounts for the American Recovery and Reinvestment Act (ARRA) grant monies received for and payment of, expenditures associated with a Federal program designed to provide counseling and educational support to homeless children and their families.

McKinney Education for Homeless Children – Accounts for grant monies received for and payment of, expenditures associated with a Federal program designed to provide counseling and educational support to homeless children and their families. The programs are funded by a Federal Steward B. McKinney Education for Homeless Children and Youth Grant administered through the Illinois State Board of Education.

Title II – Teacher Quality – Leadership Grant – Accounts for grant monies received for, and payment of, expenditures of the Title II – Teacher Quality Leadership Grant.

Title II – Teacher Quality – Leadership Grant (Coordination and Services) – To account for monies received from the State and federal government to support school improvement services for schools in academic difficulty.

NOTE 4 - NON-CASH ASSISTANCE

None

NOTE 5 - AMOUNT OF INSURANCE

None

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

None