

**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, 2011**

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

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
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JUNE 30, 2011

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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 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	2
Repeated audit findings	2	0
Prior recommendations implemented or not repeated	0	0

An additional matter, which is less than a significant deficiency or material weakness, but more than inconsequential, has been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, 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)			
11-01	12a	Controls over Financial Statement Preparation	Material Weakness
11-02	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 October 7, 2011. 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, 2011, 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, 2011, 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.

The Will County Regional Office of Education #56 adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended June 30, 2011. The statement changed the classifications of governmental fund balances and clarified the definitions of existing fund types. The adoption of this statement had no effect on any of Will County Regional Office of Education #56's governmental funds' assets or liabilities nor was there any effect to the total amount of any of Will County Regional Office of Education #56's governmental fund balances as of and for the year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 19, 2012, 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-16f and 51 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
March 19, 2012



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, 2011, which collectively comprise the Will County Regional Office of Education #56's basic financial statements and have issued our report thereon dated March 19, 2012. The report on governmental and business-type activities was qualified because the Will County Regional Office of Education #56 did not recognize and disclose postemployment benefits other than pensions (OPEB) in their financial statements as required by Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Will County Regional Office of Education #56 is responsible for establishing and maintaining effective 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 findings 11-01 and 11-02 in the accompanying Schedule of Findings and Questioned Costs to be a 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 a certain matter which we have reported to management of the Will County Regional Office of Education #56 in a separate letter dated March 19, 2012.

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

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

Kemper CPA Group LLP

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
March 19, 2012

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the Will County 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 Will County Regional Office of Education #56's major federal programs for the year ended June 30, 2011. The Will County 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 Will County Regional Office of Education #56's management. Our responsibility is to express an opinion on the Will County 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, 2011.

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
March 19, 2012

WILL COUNTY
 REGIONAL OFFICE OF EDUCATION #56
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2011

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
84.010A	Title I – Grants to Local Educational Agencies
84.389A	Title I – Grants to Local Educational Agencies, Recovery Act
84.410A	Education Jobs Fund

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

Auditee qualified as a low-risk auditee?	No
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WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 11-01 – Controls over Financial Statement Preparation (Repeated from Finding No. 10-01)

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, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 11-01 – Controls over Financial Statement Preparation (Repeated from Finding No. 10-01) (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, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

**Finding No. 11-02 - Departure from Generally Accepted Accounting Principle
(Repeated from Finding No. 10-02)**

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 2011, the Regional Office of Education #56 had an average of 13 active employees and contributions to the OPEB plan totaled \$168,799. 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, 2011.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS (Concluded)

**Finding No. 11-02 - Departure from Generally Accepted Accounting Principle
(Repeated from Finding No. 10-02) (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:

Due to the complexity of the pronouncement, the Regional Office of Education #56 received an actuarial valuation which was based on "like" entities, not an actuarial valuation for the Regional Office of Education #56. 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, 2011

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, 2011

CORRECTIVE ACTION PLAN

Finding No. 11-01 – 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, 2011

Finding No. 11-02 – 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 2011, the Regional Office of Education #56 had an average of 13 active employees and contributions to the OPEB plan totaled \$168,799. 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, 2011.

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, 2012

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, 2011

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
10-01	Controls over Financial Statement Preparation	Repeated as Finding 11-01
10-02	Departure from Generally Accepted Accounting Principle	Repeated as Finding 11-02

MANAGEMENT DISCUSSION AND ANALYSIS

**WILL COUNTY REGIONAL OFFICE OF EDUCATION #56
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

The Will County Regional Office of Education #56 (ROE #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, 2011, with comparative information for the year ended June 30, 2010. Readers are encouraged to consider the information in conjunction with the ROE #56's financial statements that follow.

2011 Financial Highlights

- During fiscal year 2011 the Regional Office of Education #56 implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which required certain programs and funds to be reclassified and the restatement of beginning fund balances as detailed in Note 14 to the financial statements. Because of these reclassifications the governmental fund analysis is not comparable between fiscal year 2010 and fiscal year 2011.
- The Enterprise Fund revenues increased by \$31,718 (2%) from \$1,272,694 in FY 2010 to \$1,304,412 in FY 2011. The Enterprise Fund expenditures increased by \$74,353 (6%) from \$1,305,625 in FY 2010 to \$1,379,978 in FY 2011.

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 #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 #56 as a whole and present an overall view of the Office's finances.
- *Fund financial statements* report the ROE #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 #56
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

Reporting the Will County Regional Office as a Whole

It is important to note that many grants are a cooperative effort of the ROE #56 and the Grundy/Kendall Regional Office of Education #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 #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 #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 #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 required governmental funds financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

**WILL COUNTY REGIONAL OFFICE OF EDUCATION #56
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

- (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 required proprietary funds 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.
- (3) Fiduciary funds are used to account for assets held by the ROE #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 required fiduciary funds 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 #56. The net assets at the end of FY 2011 and FY 2010 totaled \$5,230,772 and \$3,861,938, respectively. The analysis that follows provides a summary of the ROE #56's net assets as of June 30, 2011 and 2010.

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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current assets	\$ 5,691,057	\$ 3,981,408	\$ 1,276,972	\$ 1,312,927	\$ 6,968,029	\$ 5,294,335
Capital assets, net	1,800	3,240	1,216	4,864	3,016	8,104
Total assets	<u>5,692,857</u>	<u>3,984,648</u>	<u>1,278,188</u>	<u>1,317,791</u>	<u>6,971,045</u>	<u>5,302,439</u>
Current liabilities	1,649,136	1,385,327	91,137	55,174	1,740,273	1,440,501
Total liabilities	<u>1,649,136</u>	<u>1,385,327</u>	<u>91,137</u>	<u>55,174</u>	<u>1,740,273</u>	<u>1,440,501</u>
Net assets:						
Invested in capital assets	1,800	3,240	1,216	4,864	3,016	8,104
Restricted for educational purposes	776,871	589,116	-	-	776,871	589,116
Unrestricted, restated	3,265,050	2,006,965	1,185,835	1,257,753	4,450,885	3,264,718
Total net assets	<u>\$ 4,043,721</u>	<u>\$ 2,599,321</u>	<u>\$ 1,187,051</u>	<u>\$ 1,262,617</u>	<u>\$ 5,230,772</u>	<u>\$ 3,861,938</u>

The ROE #56's net assets increased by \$1,368,834 (35%) from FY 2010.

**WILL COUNTY REGIONAL OFFICE OF EDUCATION #56
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

CHANGES IN NET ASSETS

The following analysis shows the changes in net assets for the years ended June 30, 2011 and 2010.

CHANGES IN NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Operating grants and contributions	\$ 7,969,379	\$ 7,725,022	\$ -	\$ -	\$ 7,969,379	\$ 7,725,022
General revenues:						
Local sources	230,642	212,401	-	-	230,642	212,401
State sources	2,331,891	2,770,231	-	-	2,331,891	2,770,231
Federal sources	-	934,805	-	-	-	934,805
On-behalf payments - local	738,722	-	-	-	738,722	-
On-behalf payments - state	304,546	313,068	-	-	304,546	313,068
Charges for services	-	-	1,303,173	1,272,164	1,303,173	1,272,164
Interest	1,198	15,819	1,239	530	2,437	16,349
Total revenues	<u>11,576,378</u>	<u>11,971,346</u>	<u>1,304,412</u>	<u>1,272,694</u>	<u>12,880,790</u>	<u>13,244,040</u>
Expenses:						
Programs expenses:						
Salaries and benefits	1,510,635	1,377,237	541,035	570,183	2,051,670	1,947,420
Purchased services	1,637,140	1,975,954	692,517	611,279	2,329,657	2,587,233
Supplies and materials	146,281	171,978	124,096	107,514	270,377	279,492
Other objects	25,532	17,294	18,682	11,111	44,214	28,405
Payments to other governments	5,767,682	6,594,759	-	-	5,767,682	6,594,759
Capital outlay	-	-	-	-	-	-
Depreciation	1,440	1,869	3,648	5,538	5,088	7,407
Administrative expenses:						
On-behalf payments - local	738,722	-	-	-	738,722	-
On-behalf payments - state	304,546	313,068	-	-	304,546	313,068
Total expenses	<u>10,131,978</u>	<u>10,452,159</u>	<u>1,379,978</u>	<u>1,305,625</u>	<u>11,511,956</u>	<u>11,757,784</u>
Changes in net assets	1,444,400	1,519,187	(75,566)	(32,931)	1,368,834	1,486,256
Net assets, beginning of year	<u>2,599,321</u>	<u>1,080,134</u>	<u>1,262,617</u>	<u>1,295,548</u>	<u>3,861,938</u>	<u>2,375,682</u>
Net assets, end of year	<u>\$ 4,043,721</u>	<u>\$ 2,599,321</u>	<u>\$ 1,187,051</u>	<u>\$ 1,262,617</u>	<u>\$ 5,230,772</u>	<u>\$ 3,861,938</u>

Governmental Activities

Revenues for governmental activities were \$11,576,378 and expenses were \$10,131,978. The decrease in program revenues was due to the reduction in State-funded programs.

**WILL COUNTY REGIONAL OFFICE OF EDUCATION #56
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

Business-Type Activities

Revenues for business-type activities were \$1,304,412 and expenditures were \$1,379,978. The increase in revenues is attributed to the increase in workshop attendance for the Master's and Doctoral programs conducted in FY 2011. The increase in expenditures is attributed to paying expenses in the current year that were paid out of the ROE/ISC in prior years due to the decrease in the State-funded ROE/ISC program.

Financial Analysis of the ROE #56 Funds

As previously noted, the ROE #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 \$3,974,123.

Governmental Fund Highlights

- State funding 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 float) did not increase due to low interest rates.
- County support for the ROE #56 decreased from the previous year's funding level.

Proprietary Fund Highlights

Total proprietary fund net assets decreased by \$75,566. The decrease in the proprietary fund net assets is due mainly to the decrease in workshop participation by the school districts from FY 2010, and the reduction of State funding sources noted above.

Budgetary Highlights

The ROE #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 #56 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency.

**WILL COUNTY REGIONAL OFFICE OF EDUCATION #56
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

Capital Assets

ROE #56's capital assets include office equipment, computers, audio-visual equipment, and building improvements. The ROE #56 maintains an inventory of capital assets which have been accumulated over time. For FY 2011, there were no additions of capital assets. Fully depreciated equipment with an original cost of \$6,210 was disposed of. Depreciation expense for FY 2011 and FY 2010 was \$5,088 and \$7,407, respectively.

Economic Factors and Next Year's Budget

At the time these financial statements were prepared and audited, the Will County Regional Office of Education #56 was aware of several existing circumstances that could affect its financial condition in the future:

- County board support for ROE #56 is expected to continue to decrease from the FY 2011 funding level.
- Several federal grants are expected to be received in FY 2012 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 stable. Student population for 2012 remains steady, with a slight decrease of 464 students, based on fall housing reports.

Contacting the Regional Office's Financial Management

This financial report is designed to provide the ROE #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 #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, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 4,909,852	\$ 889,835	\$ 5,799,687
Accounts receivable	4,994	79,453	84,447
Due (to) from other funds	(306,228)	306,228	-
Due from other governments:			
Local	-	1,456	1,456
State	841,579	-	841,579
Federal	240,860	-	240,860
Total Current Assets	<u>5,691,057</u>	<u>1,276,972</u>	<u>6,968,029</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	1,800	1,216	3,016
Total Noncurrent Assets	<u>1,800</u>	<u>1,216</u>	<u>3,016</u>
TOTAL ASSETS	<u><u>5,692,857</u></u>	<u><u>1,278,188</u></u>	<u><u>6,971,045</u></u>
LIABILITIES			
Current Liabilities:			
Accounts payable	1,503,136	86,547	1,589,683
Due to other governments:			
Local	126,492	-	126,492
Unearned revenue	19,508	4,590	24,098
Total Current Liabilities	<u>1,649,136</u>	<u>91,137</u>	<u>1,740,273</u>
NET ASSETS			
Invested in capital assets	1,800	1,216	3,016
Restricted for educational purposes	776,871	-	776,871
Unrestricted	3,265,050	1,185,835	4,450,885
TOTAL NET ASSETS	<u><u>\$ 4,043,721</u></u>	<u><u>\$ 1,187,051</u></u>	<u><u>\$ 5,230,772</u></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, 2011

FUNCTIONS/PROGRAMS	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental Activities:						
Instructional Services						
Salaries and benefits	\$ 1,510,635	\$ -	\$ 1,510,635	\$ -	\$ -	\$ -
Purchased services	1,637,140	-	1,551,839	(85,301)	-	(85,301)
Supplies and materials	146,281	-	130,570	(15,711)	-	(15,711)
Other objects	25,532	-	-	(25,532)	-	(25,532)
Depreciation expense	1,440	-	-	(1,440)	-	(1,440)
Payments to other governments	5,767,682	-	4,776,335	(991,347)	-	(991,347)
Administrative:						
On-behalf payments - Local	738,722	-	-	(738,722)	-	(738,722)
On-behalf payments - State	304,546	-	-	(304,546)	-	(304,546)
Total Governmental Activities	<u>10,131,978</u>	<u>-</u>	<u>7,969,379</u>	<u>(2,162,599)</u>	<u>-</u>	<u>(2,162,599)</u>
Business-Type Activities:						
Fees for services	<u>1,379,978</u>	<u>1,303,173</u>	<u>-</u>	<u>-</u>	<u>(76,805)</u>	<u>(76,805)</u>
Total Business-Type Activities	<u>1,379,978</u>	<u>1,303,173</u>	<u>-</u>	<u>-</u>	<u>(76,805)</u>	<u>(76,805)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 11,511,956</u>	<u>\$ 1,303,173</u>	<u>\$ 7,969,379</u>	<u>(2,162,599)</u>	<u>(76,805)</u>	<u>(2,239,404)</u>
GENERAL REVENUES:						
Local sources				230,642	-	230,642
State sources				2,331,891	-	2,331,891
On-behalf payments - Local				738,722	-	738,722
On-behalf payments - State				304,546	-	304,546
Interest				1,198	1,239	2,437
Total General Revenues				<u>3,606,999</u>	<u>1,239</u>	<u>3,608,238</u>
CHANGE IN NET ASSETS				1,444,400	(75,566)	1,368,834
NET ASSETS - BEGINNING				<u>2,599,321</u>	<u>1,262,617</u>	<u>3,861,938</u>
NET ASSETS - ENDING				<u>\$ 4,043,721</u>	<u>\$ 1,187,051</u>	<u>\$ 5,230,772</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, 2011

	General Fund	Institute Fund	Education Fund	Professional Development Alliance	Non-Major Funds	Eliminations	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 2,821,539	\$ 663,670	\$ 185,467	\$ 1,127,845	\$ 111,331	\$ -	\$ 4,909,852
Due from other funds	570,003	-	-	-	-	(570,003)	-
Due from other governments:							
State	-	-	627,730	213,849	-	-	841,579
Federal	-	-	50,864	189,996	-	-	240,860
Accounts receivable	-	-	-	-	4,994	-	4,994
TOTAL ASSETS	\$ 3,391,542	\$ 663,670	\$ 864,061	\$ 1,531,690	\$ 116,325	\$ (570,003)	\$ 5,997,285
LIABILITIES							
Accounts payable	\$ -	\$ 1,433	\$ 274,550	\$ 1,225,462	\$ 1,691	\$ -	\$ 1,503,136
Due to other funds	-	-	570,003	306,228	-	(570,003)	306,228
Due to other governments:							
Local	126,492	-	-	-	-	-	126,492
Unearned revenue	-	-	62,092	25,214	-	-	87,306
Total Liabilities	126,492	1,433	906,645	1,556,904	1,691	(570,003)	2,023,162
FUND BALANCE (DEFICIT)							
Restricted	-	662,237	-	-	114,634	-	776,871
Unassigned	3,265,050	-	(42,584)	(25,214)	-	-	3,197,252
Total Fund Balance (Deficit)	3,265,050	662,237	(42,584)	(25,214)	114,634	-	3,974,123
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 3,391,542	\$ 663,670	\$ 864,061	\$ 1,531,690	\$ 116,325	\$ (570,003)	\$ 5,997,285

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
GOVERNMENTAL FUNDS
JUNE 30, 2011

TOTAL FUND BALANCE — GOVERNMENTAL FUNDS \$ 3,974,123

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. 1,800

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.
FY11 revenue deferred 67,798

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 4,043,721

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Institute Fund	Education Fund	Professional Development Alliance	Non-Major Funds	Eliminations	Total Governmental Funds
REVENUES							
Local sources	\$ 28,067	\$ 114,052	\$ -	\$ -	\$ 88,523	\$ -	\$ 230,642
On-behalf payments - Local	738,722	-	-	-	-	-	738,722
State sources	2,329,922	-	992,902	650,144	3,246	-	3,976,214
On-behalf payments - State	304,546	-	-	-	-	-	304,546
Federal sources	-	-	2,078,362	4,749,738	-	-	6,828,100
Total Revenues	3,401,257	114,052	3,071,264	5,399,882	91,769	-	12,078,224
EXPENDITURES							
Instructional Services:							
Salaries and benefits	-	-	801,747	708,888	-	-	1,510,635
Purchased services	14,813	21,223	743,727	808,112	49,265	-	1,637,140
Supplies and materials	3,594	3,737	27,862	102,708	8,380	-	146,281
Other objects	8,397	16,375	-	-	760	-	25,532
Payments to other governments	991,347	-	1,134,033	3,642,302	-	-	5,767,682
On-behalf payments	1,043,268	-	-	-	-	-	1,043,268
Total Expenditures	2,061,419	41,335	2,707,369	5,262,010	58,405	-	10,130,538
EXCESS OF REVENUES OVER EXPENDITURES	1,339,838	72,717	363,895	137,872	33,364	-	1,947,686
OTHER FINANCING SOURCES:							
Interest	791	404	-	-	3	-	1,198
Total Other Financing Sources	791	404	-	-	3	-	1,198
NET CHANGE IN FUND BALANCE	1,340,629	73,121	363,895	137,872	33,367	-	1,948,884
FUND BALANCE (DEFICIT), RESTATED - BEGINNING	1,924,421	589,116	(406,479)	(163,086)	81,267	-	2,025,239
FUND BALANCE (DEFICIT) - ENDING	\$ 3,265,050	\$ 662,237	\$ (42,584)	\$ (25,214)	\$ 114,634	\$ -	\$ 3,974,123

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, 2011

NET CHANGE IN FUND BALANCE — GOVERNMENTAL FUNDS \$ 1,948,884

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 (1,440)

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.

FY10 deferred revenue recognized in FY11 (570,842)

FY11 revenue deferred 67,798

(503,044)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 1,444,400

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Business Type Activities - Enterprise Fund		
	Local	Criminal	Total
	PDA Funds	Background Investigation	
ASSETS			
Cash and cash equivalents	\$ 869,055	\$ 20,780	\$ 889,835
Accounts receivable	79,453	-	79,453
Due from other funds	306,228	-	306,228
Due from other governments:			
Local	-	1,456	1,456
Total current assets	<u>1,254,736</u>	<u>22,236</u>	<u>1,276,972</u>
Noncurrent assets:			
Capital assets, being depreciated, net	1,216	-	1,216
Total noncurrent assets	<u>1,216</u>	<u>-</u>	<u>1,216</u>
TOTAL ASSETS	<u>1,255,952</u>	<u>22,236</u>	<u>1,278,188</u>
LIABILITIES			
Accounts payable	80,343	6,204	86,547
Unearned revenue	4,590	-	4,590
Total current liabilities	<u>84,933</u>	<u>6,204</u>	<u>91,137</u>
TOTAL LIABILITIES	<u>84,933</u>	<u>6,204</u>	<u>91,137</u>
NET ASSETS			
Invested in capital assets	1,216	-	1,216
Unrestricted	1,169,803	16,032	1,185,835
TOTAL NET ASSETS	<u>\$ 1,171,019</u>	<u>\$ 16,032</u>	<u>\$ 1,187,051</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, 2011

	Business Type Activities - Enterprise Fund		Total
	Local PDA Funds	Criminal Background Investigation	
OPERATING REVENUES			
Fees for services	\$ 1,232,087	\$ 71,086	\$ 1,303,173
Total Operating Revenues	<u>1,232,087</u>	<u>71,086</u>	<u>1,303,173</u>
OPERATING EXPENSES			
Salaries and benefits	541,035	-	541,035
Purchased services	621,445	71,072	692,517
Supplies and materials	124,096	-	124,096
Other objects	18,633	49	18,682
Depreciation	3,648	-	3,648
Total Operating Expenses	<u>1,308,857</u>	<u>71,121</u>	<u>1,379,978</u>
OPERATING LOSS	<u>(76,770)</u>	<u>(35)</u>	<u>(76,805)</u>
NONOPERATING REVENUE			
Interest	1,238	1	1,239
Total Nonoperating Revenue	<u>1,238</u>	<u>1</u>	<u>1,239</u>
CHANGE IN NET ASSETS	(75,532)	(34)	(75,566)
TOTAL NET ASSETS - BEGINNING	<u>1,246,551</u>	<u>16,066</u>	<u>1,262,617</u>
TOTAL NET ASSETS - ENDING	<u>\$ 1,171,019</u>	<u>\$ 16,032</u>	<u>\$ 1,187,051</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, 2011

	Business Type Activities - Enterprise Funds		
	Local PDA Funds	Criminal Background Investigation	Totals
Cash Flows from Operating Activities:			
Receipts from customers	\$ 1,193,204	\$ 75,430	\$ 1,268,634
Payments to suppliers and providers of goods and services	(723,098)	(69,579)	(792,677)
Payments to employees	(541,035)	-	(541,035)
Net Cash Provided by (Used for) Operating Activities	<u>(70,929)</u>	<u>5,851</u>	<u>(65,078)</u>
Cash Flows from Noncapital Financing Activities:			
Payments for interfund borrowing, net	(66,708)	-	(66,708)
Net Cash Used for Noncapital Financing Activities	<u>(66,708)</u>	<u>-</u>	<u>(66,708)</u>
Cash Flows from Investing Activities:			
Interest earned	1,238	1	1,239
Net Cash Provided by Investing Activities	<u>1,238</u>	<u>1</u>	<u>1,239</u>
Net Increase (Decrease) in Cash	(136,399)	5,852	(130,547)
Cash and cash equivalents - Beginning	1,005,454	14,928	1,020,382
Cash and cash equivalents - Ending	<u>\$ 869,055</u>	<u>\$ 20,780</u>	<u>\$ 889,835</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:			
Operating Loss	\$ (76,770)	\$ (35)	\$ (76,805)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	3,648	-	3,648
Increase in accounts receivable	(32,228)	-	(32,228)
Decrease in due from other governments	-	4,344	4,344
Decrease in deferred revenue	(6,655)	-	(6,655)
Increase in accounts payable	41,076	1,542	42,618
Net Cash Provided by (Used for) Operating Activities	<u>\$ (70,929)</u>	<u>\$ 5,851</u>	<u>\$ (65,078)</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, 2011

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 32,595
TOTAL ASSETS	<u>\$ 32,595</u>
LIABILITIES	
Due to other governments	\$ 32,595
TOTAL LIABILITIES	<u>\$ 32,595</u>

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, 2011

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 2011, the Regional Office of Education #56 implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*; GASB Statement No. 59, *Financial Instruments Omnibus*; and GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Regional Office of Education #56 implemented these standards during the current year; however, GASB Statements No. 59 and 62 had no impact on the financial statements. The implementation of GASB Statement No. 54 changed fund balance reporting for governmental funds by adding some additional fund balance classifications, clarifying governmental fund type definitions, and providing additional disclosures on how fund balance constraints are imposed and may be modified or eliminated.

A. DATE OF MANAGEMENT’S REVIEW

Regional Office of Education #56 has evaluated subsequent events through March 19, 2012, the date when the financial statements were available to be issued.

B. FINANCIAL REPORTING ENTITY

The Regional Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct 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.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FINANCIAL REPORTING ENTITY (Concluded)

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

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, 2011, 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).

C. 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.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. SCOPE OF THE REPORTING ENTITY (Concluded)

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.

D. 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.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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

E. 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.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net 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. Revenues received more than 60 days after the end of the current period are deferred in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for prepaid expenses and other long-term obligations, which are recognized when paid.

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.

G. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The governmental 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.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

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.

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 Regional Office of Education #56's policy to first apply restricted funds to such programs, and then unrestricted funds. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned funds if any.

H. 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.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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:

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

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

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.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

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

American Recovery and Reinvestment (ARRA) - Education Jobs - Accounts for the federal funding provided to LEAs to save or create education jobs for school year 2010-2011.

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.

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.

Title IV - 21st Century Community Learning Centers - 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.

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

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

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:

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

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 (Coordination and Services) - 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.

American Recovery and Reinvestment (ARRA) - Title I - School Improvement and Accountability - To account for monies received from the government to support Title I 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, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (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 private donations which are donor restricted for the 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 funds:

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, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Concluded)

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.

I. GOVERNMENTAL FUND BALANCES

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

Nonspendable Fund Balance - The portion of a governmental fund's net assets that are not available to be spent, either short term or long term, due to either their form or legal restrictions. The Regional Office of Education #56 has no nonspendable fund balances.

Restricted Fund Balance - The portion of a governmental fund's net assets that are subject to external enforceable legal restrictions. The following fund is restricted by a donor agreement: Lambert Fund. The following funds are restricted by Illinois Statute: General Education Development Fund, Bus Driver Training Fund, and the Institute Fund.

Committed Fund Balance - The portion of a governmental fund's net assets with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Regional Office of Education #56 has no committed fund balances.

Assigned Fund Balance - The portion of a governmental fund's net assets for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The Regional Office of Education #56 has no assigned fund balances.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. GOVERNMENTAL FUND BALANCES (Concluded)

Unassigned Fund Balance - Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The Regional Office of Education #56 has unassigned fund balances in the General Fund's General Operations and General State Aid accounts, the Education Fund's Regional Safe School account, and the Professional Development Alliance Fund's ROE/ISC Operations account.

J. 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.”

K. 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.

L. INVENTORY

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

M. 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, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

M. 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.

N. COMPENSATED ABSENCES

The employees of the Regional Office earn vacation days based on the number of full-time years worked as follows: 10 days for full-time staff employed 5 years or less; 15 days for full-time staff employed more than 5 years; 20 days for full-time consultants. Vacation days do not accumulate; therefore, no liability is accrued.

The Executive Director of PDA receives 25 sick days annually. All other eligible employees receive up to 15 sick days annually. There is no limit on the amount of sick days carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay, and therefore, no liability is accrued.

O. 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.

P. 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: ARRA – McKinney Education for Homeless Children, McKinney Education for Homeless Children, Regional Safe Schools, Title IV – 21st Century Community Learning Centers – 08/10, Truants Alternative/Optional Education, ROE/ISC Operations, Technology for Success, 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 (Coordination and Services), and ARRA – Title I – School Improvement and Accountability.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

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.

A. DEPOSITS

At June 30, 2011, the carrying amount of the Will County Regional Office of Education #56's government-wide and Agency fund deposits were \$5,799,687 and \$32,595, respectively, and the bank balances were \$6,163,726 and \$32,349, respectively. Of the total bank balances as of June 30, 2011, \$105,113 was secured by federal depository insurance, \$996,996 was invested in the Illinois Funds Money Market Fund, and \$5,093,966 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 noted above, as of June 30, 2011, the Will County Regional Office of Education #56 had investments with a carrying and fair value of \$996,996 invested in the Illinois Funds Money Market and \$5,093,966 was secured by repurchase agreements, commercial paper, and U.S. government bonds.

CREDIT RISK

At June 30, 2011, 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.

The PNC Municipal Investment Fund had a Standard and Poor's AAAM rating. This fund is authorized for public entities and political subdivisions of the State of Illinois. It invests in U.S. Treasury securities, commercial paper rated A2 or above, certificates of deposit and interest-bearing savings accounts, and any other investments permissible under 30 ILCS 235/2.

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.

WILL COUNTY
 REGIONAL OFFICE OF EDUCATION #56
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011

NOTE 2 – DEPOSITS AND INVESTMENTS (Concluded)

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.

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 2010 was 9.71 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. The required contribution for calendar year 2010 was \$64,795.

A. TREND INFORMATION

Calendar Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/10	\$64,795	100%	\$0
12/31/09	79,341	100%	0
12/31/08	70,259	100%	0

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Will County Regional Office of Education #56's Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 10 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 80.00 percent funded. The actuarial accrued liability for benefits was \$978,744 and the actuarial value of assets was \$782,961, resulting in an underfunded actuarial accrued liability (UAAL) of \$195,783. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$667,306 and the ratio of the UAAL to the covered payroll was 29 percent.

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

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

The 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, 2011

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, 2011, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2010 and 2009.

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, 2011, State of Illinois contributions were based on 23.10 percent of creditable earnings not paid from federal funds and the Will County Regional Office of Education #56 recognized revenue and expenditures of \$80,228 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2010 and June 30, 2009, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.38 percent (\$90,934) and 17.08 percent (\$57,597), 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, 2011 were \$1,296. Contributions for the years ending June 30, 2010 and June 30, 2009, were \$1,705 and \$1,969, 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, 2011, the employer pension contribution was 23.10 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2010 and 2009, the employer pension contribution was 23.38 and 17.08 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2011 salaries totaling \$67,489 were paid from federal and special trust funds that required employer contributions of \$15,590. For the years ended June 30, 2010 and June 30, 2009, required Will County Regional Office of Education #56 contributions were \$22,559 and \$15,018, respectively.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

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.

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

For the year ended June 30, 2011, 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. 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, 2011, the Regional Office of Education #56 paid \$8,804 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2010, and 2009 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 (18.03 percent of salary during the year ended June 30, 2011, as recertified pursuant to Public Act 96-1511).

For the years ended June 30, 2011, 2010, and 2009 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, 2010. The report for the year ended June 30, 2011, is expected to be available in late 2011. The reports may be obtained by writing to the Teachers’ Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

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 Fund.

The percentage of employer required contributions in the future will be determined by the director of HFS 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 0.88 percent of pay during the year ended June 30, 2011. State of Illinois contributions were \$1,965, and Regional Office of Education #56 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the year ended June 30, 2010, was 0.84 percent of pay. State contributions on behalf of the Regional Office of Education #56 employees were \$2,469.

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

Employer contributions to THIS Fund. The Regional Office of Education #56 also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.66 percent during the years ended June 30, 2011, and 0.63 percent during the years ended June 30, 2010, and June 30, 2009. For the year ended June 30, 2011, the Regional Office of Education #56 paid \$1,474 to the THIS Fund. For the years ended June 30, 2010 and 2009, the Regional Office of Education #56 paid \$1,852 and \$2,138 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, 2011

NOTE 6 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2011 consist of the following individual due to/from other funds in the governmental funds 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	\$ -	\$ 570,003
General Fund	570,003	-
Professional Development Alliance	-	306,228
Proprietary Fund	306,228	-
Total	\$ 876,231	\$ 876,231

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 originally commenced in June 1, 1995 will expire in May 2012. Rental expense for the year ended June 30, 2011 was \$96,000.

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

Fiscal Year	Amount
2012	\$ 88,000

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

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, 2011:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Governmental Activities:				
Equipment	\$ 60,976	\$ -	\$ 6,210	\$ 54,766
Building Improvements	90,439	-	-	90,439
Governmental Activities Total Assets	<u>151,415</u>	<u>-</u>	<u>6,210</u>	<u>145,205</u>
Less Accumulated Depreciation	148,175	1,440	(6,210)	143,405
Total Accumulated Depreciation	<u>148,175</u>	<u>1,440</u>	<u>(6,210)</u>	<u>143,405</u>
Governmental Activities				
Investment in Capital Assets, Net	<u>\$ 3,240</u>	<u>\$ 1,440</u>	<u>\$ -</u>	<u>\$ 1,800</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	32,644	3,648	-	36,292
Total Accumulated Depreciation	<u>32,644</u>	<u>3,648</u>	<u>-</u>	<u>36,292</u>
Business-type Activities				
Investment in Capital Assets, Net	<u>\$ 4,864</u>	<u>\$ 3,648</u>	<u>\$ -</u>	<u>\$ 1,216</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, 2011 of \$1,440 and \$3,648 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, 2011

NOTE 10 – ON-BEHALF PAYMENTS

Will County pays certain expenditures on behalf of the Regional Office of Education #56. The expenditures paid by Will County for the year ended June 30, 2011, were as follows:

Salaries and Benefits	\$ 664,034
Purchased Services	69,088
Supplies and Materials	5,600
	\$ 738,722

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)	5,898
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	25,007
TRS Pension Contributions	80,228
Teachers' Health Insurance Security (THIS) Fund Contributions	1,965
Total	\$ 304,546

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	\$ 678,594
<u>Professional Development Alliance Fund</u>	
Illinois State Board of Education	403,845
<u>Proprietary Fund</u>	
Local Governments	1,456
Total	\$ 1,083,895

Due To Other Governments:

<u>General Fund</u>	
Local Governments	\$ 126,492
<u>Fiduciary Fund</u>	
Local Governments	32,595
Total	\$ 159,087

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

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, 2011 in the following funds:

<u>Funds with Deficit Fund Balance</u>	<u>Deficit Balance</u>
ROE/ISC Operations	\$ 25,214
Regional Safe Schools	42,584

NOTE 13 – 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.

NOTE 14 – RECLASSIFICATION

As a result of implementing GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, at June 30, 2011, General State Aid (GSA) funding has been reclassified from the Education Fund to the General Fund and the ROE/ISC Operations grant has been reclassified from the General Fund to the Professional Development Alliance Fund.

The Regional Office of Education #56 receives GSA from the Illinois State Board of Education based on attendance in the Regional Safe School and the Truant Alternative School. This funding supports the general operations of the Regional Safe School and the Truant Alternative School and the Regional Office has historically reported this funding in the Education fund with the Regional Safe School and Truant Alternative/Optional Education grant funding, however, GSA does not meet the committed or restricted criteria set forth in GASB 54 for special revenue funds. The ROE/ISC Operations grant which supports the general operations of the Regional Office has historically been reported in the General Fund, however, because this funding is governed by a grant agreement with the grantor the funding is restricted and is required to be reported as a special revenue fund.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 14 – RECLASSIFICATION (Concluded)

The following is the effect of these reclassifications on the beginning fund balances for the General Fund, Education Fund, and Professional Development Alliance Fund:

General Fund:

Fund Balance - July 1, 2010	\$ (81,738)
Effect of reclassifying General State Aid funding	1,895,120
Effect of reclassifying ROE/ISC Operations grant	111,039
Fund Balance, Restated - July 1, 2010	\$ 1,924,421

Education Fund:

Fund Balance - July 1, 2010	\$ 1,488,641
Effect of reclassifying General State Aid funding	(1,895,120)
Fund Balance, Restated - July 1, 2010	\$ (406,479)

Professional Development Alliance:

Fund Balance - July 1, 2010	\$ (52,047)
Effect of reclassifying ROE/ISC Operations grant	(111,039)
Fund Balance, Restated - July 1, 2010	\$ (163,086)

NOTE 15 – SUBSEQUENT EVENTS

For fiscal year 2012, the Governor of Illinois vetoed the appropriation line for the Regional Superintendent’s and Assistant Regional Superintendent’s salaries and benefits, as well as the appropriation line for the Regional Office’s general operations grant. The Regional Superintendent’s and Assistant Regional Superintendent’s salaries were reinstated in November 2011 for one year only, to be paid from corporate personal property replacement tax funds, and the general operations grant has been reinstated but at a lower level. The effect of these funding cuts on the Regional Office’s long-term ability to continue to provide services at their current level is unknown.

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, 2011

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)
12/31/10	782,961	978,744	195,783	80.00%	667,306	29.34%
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%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$835,051.

On a market basis, the funded ratio would be 85.32%.

OTHER SUPPLEMENTAL INFORMATION

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
JUNE 30, 2011

	General Operations	General State Aid	TOTALS
ASSETS			
Cash and cash equivalents	\$ 33,373	\$ 2,788,166	\$ 2,821,539
Due from other funds	-	570,003	570,003
TOTAL ASSETS	\$ 33,373	\$ 3,358,169	\$ 3,391,542
LIABILITIES			
Due to other governments:			
Local	\$ -	\$ 126,492	\$ 126,492
Total Liabilities	-	126,492	126,492
FUND BALANCE			
Unassigned	33,373	3,231,677	3,265,050
Total Fund Balance	33,373	3,231,677	3,265,050
TOTAL LIABILITIES AND FUND BALANCE	\$ 33,373	\$ 3,358,169	\$ 3,391,542

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, 2011

	General Operations	General State Aid	TOTALS
REVENUES			
Local sources	\$ 28,067	\$ -	\$ 28,067
On-behalf payments - Local	738,722	-	738,722
State sources	-	2,329,922	2,329,922
On-behalf payments - State	304,546	-	304,546
Total Revenues	<u>1,071,335</u>	<u>2,329,922</u>	<u>3,401,257</u>
EXPENDITURES			
Purchased services	14,675	138	14,813
Supplies and materials	1,172	2,422	3,594
Other objects	8,397	-	8,397
Payments to governments	-	991,347	991,347
On-behalf payments	1,043,268	-	1,043,268
Total Expenditures	<u>1,067,512</u>	<u>993,907</u>	<u>2,061,419</u>
EXCESS OF REVENUES OVER EXPENDITURES			
	<u>3,823</u>	<u>1,336,015</u>	<u>1,339,838</u>
OTHER FINANCING SOURCES			
Interest	249	542	791
Total Other Financing Sources	<u>249</u>	<u>542</u>	<u>791</u>
NET CHANGE IN FUND BALANCE	4,072	1,336,557	1,340,629
FUND BALANCE, RESTATED - BEGINNING	<u>29,301</u>	<u>1,895,120</u>	<u>1,924,421</u>
FUND BALANCE - ENDING	<u>\$ 33,373</u>	<u>\$ 3,231,677</u>	<u>\$ 3,265,050</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2011

	ARRA - Education Jobs	ARRA - McKinney Education for Homeless Children	McKinney Education for Homeless Children	Regional Safe Schools
ASSETS				
Cash and cash equivalents	\$ -	\$ 2,477	\$ 7,724	\$ -
Due from other governments:				
State	-	-	-	468,415
Federal	50,864	-	-	-
TOTAL ASSETS	\$ 50,864	\$ 2,477	\$ 7,724	\$ 468,415
LIABILITIES				
Accounts payable	\$ 11,386	\$ -	\$ 386	\$ 73,958
Due to other funds	39,478	-	-	393,900
Unearned revenue	-	2,477	7,338	43,141
Total Liabilities	50,864	2,477	7,724	510,999
FUND BALANCE (DEFICIT)				
Unassigned	-	-	-	(42,584)
Total Fund Balance (Deficit)	-	-	-	(42,584)
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 50,864	\$ 2,477	\$ 7,724	\$ 468,415

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2011

	Title IV - 21st Century Community Learning Centers - 08	Title IV - 21st Century Community Learning Centers - 10	Truants Alternative/Optional Education	TOTALS
ASSETS				
Cash and cash equivalents	\$ 91,434	\$ 83,832	\$ -	\$ 185,467
Due from other governments:				
State	-	-	159,315	627,730
Federal	-	-	-	50,864
TOTAL ASSETS	\$ 91,434	\$ 83,832	\$ 159,315	\$ 864,061
LIABILITIES				
Accounts payable	\$ 86,702	\$ 79,428	\$ 22,690	\$ 274,550
Due to other funds	-	-	136,625	570,003
Unearned revenue	4,732	4,404	-	62,092
Total Liabilities	91,434	83,832	159,315	906,645
FUND BALANCE (DEFICIT)				
Unassigned	-	-	-	(42,584)
Total Fund Balance (Deficit)	-	-	-	(42,584)
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 91,434	\$ 83,832	\$ 159,315	\$ 864,061

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, 2011

	ARRA - Education Jobs	ARRA - McKinney Education for Homeless Children	McKinney Education for Homeless Children	Regional Safe Schools
REVENUES				
State sources	\$ -	\$ -	\$ -	\$ 742,063
Federal sources	130,922	10,589	474,863	-
Total Revenues	<u>130,922</u>	<u>10,589</u>	<u>474,863</u>	<u>742,063</u>
EXPENDITURES				
Salaries and benefits	-	-	-	-
Purchased services	-	-	166,782	-
Supplies and materials	-	-	5,781	-
Payments to other governments	130,922	10,589	302,300	468,415
Total Expenditures	<u>130,922</u>	<u>10,589</u>	<u>474,863</u>	<u>468,415</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,648</u>
NET CHANGE IN FUND BALANCE	-	-	-	273,648
FUND BALANCE (DEFICIT), RESTATED - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>(316,232)</u>
FUND BALANCE (DEFICIT) - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (42,584)</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, 2011

	Title IV - 21st Century Community Learning Centers - 08	Title IV - 21st Century Community Learning Centers - 10	Truants Alternative/Optional Education	TOTALS
REVENUES				
State sources	\$ -	\$ -	\$ 250,839	\$ 992,902
Federal sources	706,827	755,161	-	2,078,362
Total Revenues	<u>706,827</u>	<u>755,161</u>	<u>250,839</u>	<u>3,071,264</u>
EXPENDITURES				
Salaries and benefits	397,707	404,040	-	801,747
Purchased services	279,163	297,782	-	743,727
Supplies and materials	10,897	11,184	-	27,862
Payments to other governments	19,060	42,155	160,592	1,134,033
Total Expenditures	<u>706,827</u>	<u>755,161</u>	<u>160,592</u>	<u>2,707,369</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>90,247</u>	<u>363,895</u>
NET CHANGE IN FUND BALANCE	-	-	90,247	363,895
FUND BALANCE (DEFICIT), RESTATED - BEGINNING	<u>-</u>	<u>-</u>	<u>(90,247)</u>	<u>(406,479)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,584)</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 20, 2009 to September 30, 2011)
EDUCATION FUND ACCOUNT
ARRA - MCKINNEY EDUCATION FOR HOMELESS CHILDREN
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts		Total Actual Amounts
	Original	Final	FY10	FY11	
REVENUE					
Federal sources	\$ 455,621	\$ 455,621	\$ 439,133	\$ 10,589	\$ 449,722
Total Revenue	<u>455,621</u>	<u>455,621</u>	<u>439,133</u>	<u>10,589</u>	<u>449,722</u>
EXPENDITURES					
Purchased services	45,853	45,853	49,250	-	49,250
Supplies and materials	500	500	183	-	183
Capital outlay	975	975	-	-	-
Payments to other governments	<u>408,293</u>	<u>408,293</u>	<u>389,700</u>	<u>10,589</u>	<u>400,289</u>
Total Expenditures	<u>455,621</u>	<u>455,621</u>	<u>439,133</u>	<u>10,589</u>	<u>449,722</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2010 to June 30, 2011)
EDUCATION FUND ACCOUNT
MCKINNEY EDUCATION FOR HOMELESS CHILDREN
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 432,000	\$ 450,000	\$ 474,863
Total Revenue	<u>432,000</u>	<u>450,000</u>	<u>474,863</u>
EXPENDITURES			
Purchased services	135,130	147,930	166,782
Supplies and materials	2,370	6,570	5,781
Capital outlay	-	1,000	-
Payments to other governments	294,500	294,500	302,300
Total Expenditures	<u>432,000</u>	<u>450,000</u>	<u>474,863</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, 2010 to June 30, 2011)
EDUCATION FUND ACCOUNT
REGIONAL SAFE SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUE			
State sources	\$ 468,415	\$ 468,415	\$ 742,063
Total Revenue	<u>468,415</u>	<u>468,415</u>	<u>742,063</u>
EXPENDITURES			
Payments to other governments	<u>468,415</u>	<u>468,415</u>	<u>468,415</u>
Total Expenditures	<u>468,415</u>	<u>468,415</u>	<u>468,415</u>
NET CHANGE IN FUND BALANCE	-	-	273,648
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(316,232)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,584)</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2010 to August 31, 2011)
EDUCATION FUND ACCOUNT
TITLE IV - 21ST CENTURY COMMUNITY LEARNING CENTERS - 08
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 708,800	\$ 708,800	\$ 706,827
Total Revenue	<u>708,800</u>	<u>708,800</u>	<u>706,827</u>
EXPENDITURES			
Salaries and benefits	351,696	351,696	397,707
Purchased services	312,435	312,435	279,163
Supplies and materials	21,419	21,419	10,897
Payments to other governments	23,250	23,250	19,060
Total Expenditures	<u>708,800</u>	<u>708,800</u>	<u>706,827</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, 2010 to August 31, 2011)
EDUCATION FUND ACCOUNT
TITLE IV - 21ST CENTURY COMMUNITY LEARNING CENTERS - 10
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 743,200	\$ 743,200	\$ 755,161
Total Revenue	<u>743,200</u>	<u>743,200</u>	<u>755,161</u>
EXPENDITURES			
Salaries and benefits	351,696	351,696	404,040
Purchased services	323,437	323,437	297,782
Supplies and materials	21,567	21,567	11,184
Payments to other governments	46,500	46,500	42,155
Total Expenditures	<u>743,200</u>	<u>743,200</u>	<u>755,161</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, 2010 to June 30, 2011)
EDUCATION FUND ACCOUNT
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 202,079	\$ 202,079	\$ 250,839
Total Revenue	<u>202,079</u>	<u>202,079</u>	<u>250,839</u>
EXPENDITURES			
Payments to other governments	202,079	202,079	160,592
Total Expenditures	<u>202,079</u>	<u>202,079</u>	<u>160,592</u>
NET CHANGE IN FUND BALANCE	-	-	90,247
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(90,247)</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, 2011

	ROE/ISC Operations	Technology for Success	Will County Gifted Education	Grundy/Kendall County Gifted Education	Will County Title I - Reading First Part B SEA
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments:					
State	151,279	62,570	-	-	-
Federal	-	-	-	-	-
TOTAL ASSETS	\$ 151,279	\$ 62,570	\$ -	\$ -	\$ -
LIABILITIES					
Accounts payable	\$ -	\$ 1,798	\$ -	\$ -	\$ -
Due to other funds	151,279	60,772	-	-	-
Unearned revenue	25,214	-	-	-	-
Total Liabilities	176,493	62,570	-	-	-
FUND BALANCE (DEFICIT)					
Unassigned	(25,214)	-	-	-	-
Total Fund Balance (Deficit)	(25,214)	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 151,279	\$ 62,570	\$ -	\$ -	\$ -

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING SCHEDULE OF ACCOUNTS
PROFESSIONAL DEVELOPMENT ALLIANCE
JUNE 30, 2011

	Grundy/Kendall County Title I - Reading First Part B SEA	Title I - School Improvement and Accountability (Coordination and Services)	ARRA - Title I - School Improvement & Accountability	TOTALS
ASSETS				
Cash and cash equivalents	\$ -	\$ 1,127,845	\$ -	\$ 1,127,845
Due from other governments:				
State	-	-	-	213,849
Federal	-	-	189,996	189,996
TOTAL ASSETS	\$ -	\$ 1,127,845	\$ 189,996	\$ 1,531,690
LIABILITIES				
Accounts payable	\$ -	\$ 1,127,845	\$ 95,819	\$ 1,225,462
Due to other funds	-	-	94,177	306,228
Unearned revenue	-	-	-	25,214
Total Liabilities	-	1,127,845	189,996	1,556,904
FUND BALANCE (DEFICIT)				
Unassigned	-	-	-	(25,214)
Total Fund Balance (Deficit)	-	-	-	(25,214)
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ -	\$ 1,127,845	\$ 189,996	\$ 1,531,690

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, 2011

	ROE/ISC Operations	Technology for Success	Will County Gifted Education	Grundy/Kendall County Gifted Education	Will County Title I - Reading First Part B SEA
REVENUES					
State sources	\$ 337,956	\$ 189,261	\$ 93,087	\$ 29,840	\$ -
Federal sources	-	-	-	-	118,001
Total Revenues	<u>337,956</u>	<u>189,261</u>	<u>93,087</u>	<u>29,840</u>	<u>118,001</u>
EXPENDITURES					
Salaries and benefits	193,984	108,129	10,126	4,214	15,409
Purchased services	58,147	16,299	16,361	3,518	25,861
Supplies and materials	-	12,786	42,600	15,358	592
Payments to other governments	-	-	24,000	6,750	76,139
Total Expenditures	<u>252,131</u>	<u>137,214</u>	<u>93,087</u>	<u>29,840</u>	<u>118,001</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>85,825</u>	<u>52,047</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	85,825	52,047	-	-	-
FUND BALANCE (DEFICIT) , RESTATED - BEGINNING	<u>(111,039)</u>	<u>(52,047)</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (25,214)</u>	<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, 2011

	Grundy/Kendall County Title I - Reading First Part B SEA	Title I - School Improvement and Accountability (Coordination and Services)	ARRA - Title I - School Improvement and Accountability	TOTALS
REVENUES				
State sources	\$ -	\$ -	\$ -	\$ 650,144
Federal sources	20,732	4,231,005	380,000	4,749,738
Total Revenues	<u>20,732</u>	<u>4,231,005</u>	<u>380,000</u>	<u>5,399,882</u>
EXPENDITURES				
Salaries and benefits	3,329	332,387	41,310	708,888
Purchased services	10,009	565,001	112,916	808,112
Supplies and materials	1,294	24,612	5,466	102,708
Payments to other governments	6,100	3,309,005	220,308	3,642,302
Total Expenditures	<u>20,732</u>	<u>4,231,005</u>	<u>380,000</u>	<u>5,262,010</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,872</u>
NET CHANGE IN FUND BALANCE	-	-	-	137,872
FUND BALANCE (DEFICIT) , RESTATED - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>(163,086)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,214)</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2010 to June 30, 2011)
PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNT
ROE/ISC OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUE			
State sources	\$ 138,799	\$ 252,131	\$ 337,956
Total Revenue	<u>138,799</u>	<u>252,131</u>	<u>337,956</u>
EXPENDITURES			
Salaries and benefits	83,449	194,396	193,984
Purchased services	<u>55,350</u>	<u>57,735</u>	<u>58,147</u>
Total Expenditures	<u>138,799</u>	<u>252,131</u>	<u>252,131</u>
NET CHANGE IN FUND BALANCE	-	-	85,825
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(111,039)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,214)</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2010 to June 30, 2011)
PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNT
TECHNOLOGY FOR SUCCESS
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 131,312	\$ 131,312	\$ 189,261
Total Revenue	<u>131,312</u>	<u>131,312</u>	<u>189,261</u>
EXPENDITURES			
Salaries and benefits	104,002	104,002	108,129
Purchased services	15,508	15,508	16,299
Supplies and materials	2,477	2,477	12,786
Capital outlay	9,325	9,325	-
Total Expenditures	<u>131,312</u>	<u>131,312</u>	<u>137,214</u>
NET CHANGE IN FUND BALANCE	-	-	52,047
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(52,047)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: \$8,996 was expended on equipment that did not exceed the Regional Office's capitalization threshold. This expenditure is included in "supplies and materials" rather than "capital outlay" for this program.

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, 2011

	Budgeted Amounts		Actual Amounts		Total Actual Amounts
	Original	Final	FY10	FY11	
REVENUE					
State sources	\$ 250,955	\$ 250,955	\$ 157,867	\$ 93,087	\$ 250,954
Total Revenue	<u>250,955</u>	<u>250,955</u>	<u>157,867</u>	<u>93,087</u>	<u>250,954</u>
EXPENDITURES					
Salaries and benefits	54,438	42,438	33,552	10,126	43,678
Purchased services	39,512	51,512	38,338	16,361	54,699
Supplies and materials	75,000	75,000	33,977	42,600	76,577
Payments to other governments	82,005	82,005	52,000	24,000	76,000
Total Expenditures	<u>250,955</u>	<u>250,955</u>	<u>157,867</u>	<u>93,087</u>	<u>250,954</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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
GRUNDY/KENDALL COUNTY GIFTED EDUCATION
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts		Total Actual Amounts
	Original	Final	FY10	FY11	
REVENUE					
State sources	\$ 100,512	\$ 100,512	\$ 70,674	\$ 29,840	\$ 100,514
Total Revenue	<u>100,512</u>	<u>100,512</u>	<u>70,674</u>	<u>29,840</u>	<u>100,514</u>
EXPENDITURES					
Salaries and benefits	30,260	28,260	21,086	4,214	25,300
Purchased services	17,840	17,840	17,491	3,518	21,009
Supplies and materials	23,750	25,750	12,847	15,358	28,205
Payments to other governments	28,662	28,662	19,250	6,750	26,000
Total Expenditures	<u>100,512</u>	<u>100,512</u>	<u>70,674</u>	<u>29,840</u>	<u>100,514</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<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, 2011

	Budgeted Amounts		Actual Amounts		Total Actual Amounts
	Original	Final	FY10	FY11	
REVENUE					
Federal sources	\$ 224,094	\$ 224,094	\$ 68,410	\$ 118,001	\$ 186,411
Total Revenue	<u>224,094</u>	<u>224,094</u>	<u>68,410</u>	<u>118,001</u>	<u>186,411</u>
EXPENDITURES					
Salaries and benefits	25,736	25,736	6,696	15,409	22,105
Purchased services	27,185	59,435	24,918	25,861	50,779
Supplies and materials	4,688	12,354	9,460	592	10,052
Payments to other governments	166,485	126,569	27,336	76,139	103,475
Total Expenditures	<u>224,094</u>	<u>224,094</u>	<u>68,410</u>	<u>118,001</u>	<u>186,411</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of March 17, 2010 to August 31, 2010)
PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNT
GRUNDY/KENDALL COUNTY TITLE I - READING FIRST PART B SEA
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts		Total Actual Amounts
	Original	Final	FY10	FY11	
REVENUE					
Federal sources	\$ 24,827	\$ 24,827	\$ 4,095	\$ 20,732	\$ 24,827
Total Revenue	<u>24,827</u>	<u>24,827</u>	<u>4,095</u>	<u>20,732</u>	<u>24,827</u>
EXPENDITURES					
Salaries and benefits	5,022	5,022	2,215	3,329	5,544
Purchased services	9,484	9,484	-	10,009	10,009
Supplies and materials	4,021	4,021	1,880	1,294	3,174
Payments to other governments	6,300	6,300	-	6,100	6,100
Total Expenditures	<u>24,827</u>	<u>24,827</u>	<u>4,095</u>	<u>20,732</u>	<u>24,827</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2010 to June 30, 2011)
PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNT
TITLE I - SCHOOL IMPROVEMENT AND ACCOUNTABILITY
(COORDINATION AND SERVICES)
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 4,203,973	\$ 4,231,005	\$ 4,231,005
Total Revenue	<u>4,203,973</u>	<u>4,231,005</u>	<u>4,231,005</u>
EXPENDITURES			
Salaries and benefits	332,939	349,939	332,387
Purchased services	522,937	497,105	565,001
Supplies and materials	9,136	30,000	24,612
Payments to other governments	3,338,961	3,353,961	3,309,005
Total Expenditures	<u>4,203,973</u>	<u>4,231,005</u>	<u>4,231,005</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, 2010 to June 30, 2011)
 PROFESSIONAL DEVELOPMENT ALLIANCE ACCOUNT
 ARRA - TITLE I - SCHOOL IMPROVEMENT AND ACCOUNTABILITY
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 380,000	\$ 380,000	\$ 380,000
Total Revenue	<u>380,000</u>	<u>380,000</u>	<u>380,000</u>
EXPENDITURES			
Salaries and benefits	37,090	37,090	41,310
Purchased services	294,999	134,999	112,916
Supplies and materials	7,411	7,411	5,466
Payments to other governments	40,500	200,500	220,308
Total Expenditures	<u>380,000</u>	<u>380,000</u>	<u>380,000</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, 2011

	General Education Development	Bus Driver Training	Supervisory	Lambert	TOTALS
ASSETS					
Cash and cash equivalents	\$ 73,879	\$ 36,692	\$ -	\$ 760	\$ 111,331
Accounts receivable	-	4,994	-	-	4,994
TOTAL ASSETS	\$ 73,879	\$ 41,686	\$ -	\$ 760	\$ 116,325
LIABILITIES					
Accounts payable	\$ 1,121	\$ 570	\$ -	\$ -	\$ 1,691
Total Liabilities	1,121	570	-	-	1,691
FUND BALANCE					
Restricted	72,758	41,116	-	760	114,634
Total Fund Balance	72,758	41,116	-	760	114,634
TOTAL LIABILITIES AND FUND BALANCE	\$ 73,879	\$ 41,686	\$ -	\$ 760	\$ 116,325

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, 2011

	General Education Development	Bus Driver Training	Supervisory	Lambert	TOTALS
REVENUES					
Local sources	\$ 69,144	\$ 19,374	\$ -	\$ 5	\$ 88,523
State sources	-	3,246	-	-	3,246
Total Revenues	<u>69,144</u>	<u>22,620</u>	<u>-</u>	<u>5</u>	<u>91,769</u>
EXPENDITURES					
Purchased services	40,598	8,666	-	1	49,265
Supplies and materials	8,380	-	-	-	8,380
Other objects	222	-	538	-	760
Total Expenditures	<u>49,200</u>	<u>8,666</u>	<u>538</u>	<u>1</u>	<u>58,405</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>19,944</u>	<u>13,954</u>	<u>(538)</u>	<u>4</u>	<u>33,364</u>
OTHER FINANCING SOURCES					
Interest	2	1	-	-	3
Total Other Financing Sources	<u>2</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>3</u>
NET CHANGE IN FUND BALANCE	19,946	13,955	(538)	4	33,367
FUND BALANCE - BEGINNING	<u>52,812</u>	<u>27,161</u>	<u>538</u>	<u>756</u>	<u>81,267</u>
FUND BALANCE - ENDING	<u>\$ 72,758</u>	<u>\$ 41,116</u>	<u>\$ -</u>	<u>\$ 760</u>	<u>\$ 114,634</u>

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
JUNE 30, 2011

	Will County Area Career Cluster	Statewide Independent Living Council	TOTAL
ASSETS			
Cash and cash equivalents	\$ -	\$ 32,595	\$ 32,595
TOTAL ASSETS	\$ -	\$ 32,595	\$ 32,595
 LIABILITIES			
Due to other governments	\$ -	\$ 32,595	\$ 32,595
TOTAL LIABILITIES	\$ -	\$ 32,595	\$ 32,595

WILL COUNTY
 REGIONAL OFFICE OF EDUCATION #56
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<u>WILL COUNTY AREA</u>				
<u>CAREER CLUSTER</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 2,612	\$ 2,612	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 2,612</u>	<u>\$ 2,612</u>	<u>\$ -</u>
LIABILITIES				
Due to other governments	\$ -	\$ 2,612	\$ 2,612	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 2,612</u>	<u>\$ 2,612</u>	<u>\$ -</u>
<u>STATEWIDE INDEPENDENT</u>				
<u>LIVING COUNCIL</u>				
ASSETS				
Cash and cash equivalents	\$ 18,953	\$ 58,663	\$ 45,021	\$ 32,595
Total Assets	<u>\$ 18,953</u>	<u>\$ 58,663</u>	<u>\$ 45,021</u>	<u>\$ 32,595</u>
LIABILITIES				
Due to other governments	\$ 18,953	\$ 58,663	\$ 45,021	\$ 32,595
Total Liabilities	<u>\$ 18,953</u>	<u>\$ 58,663</u>	<u>\$ 45,021</u>	<u>\$ 32,595</u>
<u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 18,953	\$ 61,275	\$ 47,633	\$ 32,595
Total Assets	<u>\$ 18,953</u>	<u>\$ 61,275</u>	<u>\$ 47,633</u>	<u>\$ 32,595</u>
LIABILITIES				
Due to other governments	\$ 18,953	\$ 61,275	\$ 47,633	\$ 32,595
Total Liabilities	<u>\$ 18,953</u>	<u>\$ 61,275</u>	<u>\$ 47,633</u>	<u>\$ 32,595</u>

FEDERAL COMPLIANCE

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Federal Grantor/Pass Through Grantor, Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # or Contract #</u>	<u>Expenditures 7/1/10-6/30/11</u>
US Department of Education passed through Illinois State Board of Education			
Title I - Part A Cluster -			
Title I – School Improvement and Accountability (Coordination and Services)	84.010A	2011-4331-SS	\$ 4,231,005
ARRA – Title I – School Improvement and Accountability	84.389A	2011-4854-00	380,000
Total Title I - Part A Cluster			<u>4,611,005</u>
Title IV Grants to Local Educational Agencies -			
Title IV - 21st Century Community Learning Centers	84.287C	2010-4421-08	78,750
Title IV - 21st Century Community Learning Centers	84.287C	2011-4421-08	628,077
Title IV - 21st Century Community Learning Centers	84.287C	2010-4421-10	90,685
Title IV - 21st Century Community Learning Centers	84.287C	2011-4421-10	664,476
Total Title IV Grants to Local Educational Agencies			<u>1,461,988</u>
Education for Homeless Children and Youth -			
McKinney Education for Homeless Children	84.196A	2010-4920-00	31,927
McKinney Education for Homeless Children	84.196A	2011-4920-00	442,936
Total McKinney Education for Homeless Children			<u>474,863</u>
ARRA - McKinney Education for Homeless Children	84.387A	2010-4862-00	10,589
Total Education for Homeless Children and Youth - Cluster			<u>485,452</u>
Education Jobs Fund -			
ARRA - Education Jobs	84.410A	2011-4880-93	130,922
Total Education Jobs Fund			<u>130,922</u>
Total US Department of Education passed through Illinois State Board of Education			<u>6,689,367</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	20,732
passed through Illinois State Board of Education			
Reading First State Grants -			
Title I- Reading First Part B SEA	84.357A	2010-4337-00	118,001
Total U.S. Department of Education CFDA #84.357A			<u>138,733</u>
Total Expenditures of Federal Awards			<u>\$ 6,828,100</u>

The accompanying notes are an integral part of this schedule.

WILL COUNTY
REGIONAL OFFICE OF EDUCATION #56
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

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	\$ 61,215
ARRA - McKinney Education for Homeless Children	84.387A	10,589
McKinney Education for Homeless Children	84.196A	302,300
ARRA – Education Jobs	84.410A	130,922
Will County – Title I – Reading First Part B SEA	84.357A	76,139
Grundy/Kendall – Title I – Reading First Part B SEA	84.357A	6,100
Title I – School Improvement and Accountability (Coordination and Services)	84.010A	3,309,005
ARRA – Title I – School Improvement and Accountability	84.389A	220,308

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

Title I – School Improvement and Accountability (Coordination and Services) – 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.

American Recovery and Reinvestment (ARRA) - Title I – School Improvement and Accountability – To account for monies received from the government to support Title I 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, 2011

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM (Concluded)

American Recovery and Reinvestment (ARRA) - Education Jobs - Accounts for the federal funding provided to LEAs to save or create education jobs for school year 2010-2011.

NOTE 4 - NON-CASH ASSISTANCE

None

NOTE 5 - AMOUNT OF INSURANCE

None

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

None