

**State of Illinois
DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO 16
FINANCIAL AUDIT**

Year Ended June 30, 2011

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

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DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16

OFFICIALS

Regional Superintendent
(Current and during the audit period)

Mr. Gilbert E. Morrison, Jr.

Assistant Regional Superintendent
(Current)

Mr. Dereck Avery

Assistant Regional Superintendent
(During the audit period)

Ms. Tatia L. Beckwith

Office is located at:

2500 N. Annie Glidden Road, Suite C
DeKalb, Illinois 60115

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16

FINANCIAL REPORT SUMMARY

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

AUDITOR'S REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
11-1	9-10	Controls Over Financial Statement Preparation	Significant Deficiency

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

-N/A-

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference held on November 3, 2011. Attending were Mr. Gilbert E. Morrison, Jr., Regional Superintendent, Donna Milburn, bookkeeper, and Jeff Johnson, auditor from Wipfli LLP. Responses to the recommendations were provided by Mr. Gilbert E. Morrison, Jr., Regional Superintendent, on November 3, 2011.

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of DeKalb County Regional Office of Education No. 16 was performed by Wipfli LLP.

Based on their audit, the auditors expressed an unqualified opinion on DeKalb County Regional Office of Education No. 16's basic financial statements.

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of DeKalb County Regional Office of Education No. 16, as of and for the year ended June 30, 2011, which collectively comprise the DeKalb County Regional Office of Education No. 16's basic financial statements as listed in the table of contents. These financial statements are the responsibility of DeKalb County Regional Office of Education No. 16's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of DeKalb County Regional Office of Education No. 16, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

The Regional Office of Education No. 16 adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended June 30, 2011. The statement changed the classifications of governmental fund balances and clarified the definitions of existing fund types. The adoption of this statement had no effect on any of the Regional Office of Education No. 16's governmental funds' assets or liabilities nor was there any effect to the total amount of any of the Regional Office of Education No. 16'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 June 26, 2012 on our consideration of DeKalb County Regional Office of Education No. 16's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and on other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 14 through 22 is not a required part of the basic financial statements but is supplementary information required by the 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 DeKalb County Regional Office of Education No. 16's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to Other Entities – Distributive Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to Other Entities – Distributive Fund have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Wipfli LLP

Dixon, Illinois
June 26, 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, each major fund, and the aggregate remaining fund information of DeKalb County Regional Office of Education No. 16, as of and for the year ended June 30, 2011, which collectively comprise DeKalb County Regional Office of Education No. 16's basic financial statements and have issued our report thereon dated June 26, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the DeKalb County Regional Office of Education No. 16 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered DeKalb County Regional Office of Education No. 16'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 DeKalb County Regional Office of Education No. 16's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the DeKalb County Regional Office of Education No. 16's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in finding 11-1 in the accompanying Schedule of Findings and Responses that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether DeKalb County Regional Office of Education No. 16'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*.

DeKalb County Regional Office of Education No. 16's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit DeKalb County Regional Office of Education No. 16's response and, accordingly, we express no opinion on it.

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

Wipfli LLP

Dixon, Illinois
June 26, 2012

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2011

Section I: Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no

- Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2011

Section II: Findings Related to the Basic Financial Statements:

FINDING NO. 11-1 – Controls Over Financial Statement Preparation (Repeat of prior year finding 10-1, 09-1, 08-1, & 07-1)

Criteria/Specific Requirement:

The Regional Office of Education No. 16 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP 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 No. 16 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 does not have the ability to prepare accrual-basis financial reports, and numerous adjustments were required to present 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 or accounts payable.

Effect:

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

Cause:

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

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2011

Section II: Findings Related to the Basic Financial Statements:

FINDING NO. 11-1 – Controls Over Financial Statement Preparation (Repeat of prior year finding 10-1, 09-1, 08-1, & 07-1)(continued)

Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education No. 16 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 No. 16 engaged an accounting firm to prepare a program that allows for internal preparation and review of financial statements. These procedures must be performed internally because the added expense of hiring properly trained individuals is cost prohibitive for a small entity such as the ROE. Funding for ROE services is extremely tight, and paying for a service such as was noted would take away from the funds available to provide educational services for the schools in the Region. The Regional Office will continue to do the best it can with the limited resources available.

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ended June 30, 2011

FINDING NO. 11-1 – Controls Over Financial Statement Preparation (Repeat of prior year finding 10-1, 09-1, 08-1, & 07-1) (Continued)

Condition:

The Regional Office of Education No. 16 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 does not have the ability to prepare accrual-basis financial reports, and numerous adjustments were required 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 or accounts payable.

Plan:

Funding for ROE services is extremely tight, and paying for a service such as was noted would take away from the funds available to provide educational services for the schools in the Region. The Regional Office will continue to do the best it can with the limited resources available.

Anticipated Completion Date:

On Going

Contact Person Responsible for Corrective Action:

Mr. Gilbert E. Morrison, Jr., Regional Superintendent

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2011

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
10-1	Controls Over Financial Statement Preparation	Repeated

MANAGEMENT'S DISCUSSION AND ANALYSIS

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011

DeKalb County Regional Office of Education No. 16 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2011. We encourage readers to consider this information in conjunction with DeKalb County Regional Office of Education No. 16's financial statements, which follow.

During fiscal year 2011, the Regional Office of Education No. 16 adopted 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 as defined in Note 8 to the financial statements. Because of these changes, fund balances reported for fiscal year 2011 are not comparable to the fund balances reported for fiscal year ended 2010.

2011 FINANCIAL HIGHLIGHTS

- Institute Fund revenues decreased from \$33,904 in fiscal year 2010 to \$33,398 in fiscal year 2011, and Institute Fund expenditures increased from \$39,596 in fiscal year 2010 to \$40,185 in fiscal year 2011. DeKalb County Regional Office of Education No. 16's Institute Fund balance decreased from \$64,422 in fiscal year 2010 to \$57,635 in fiscal year 2011.
- The General Educational Development Fund revenues decreased from \$10,798 in 2010 to \$9,699 in 2011. This decrease is primarily due to less people registering for GED testing.
- Fingerprinting revenues exceeded expenditures by \$23,195.
- The Education Fund revenues decreased from \$518,003 in 2010 to \$420,204 in 2011. Expenditures decreased from \$514,764 in 2010 to \$423,298 in 2011. Revenue from state funds increased over the prior year, however ARRA-General State Aid is now accounted for in the General Fund due to the general nature of the program.

USING THIS ANNUAL REPORT

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of DeKalb County Regional Office of Education No. 16'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 DeKalb County Regional Office of Education No. 16 as a whole and present an overall view of DeKalb County Regional office of Education No. 16's finances.

The Fund Financial Statements show how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report DeKalb County Regional Office of Education No. 16's operations in more detail than the government-wide statements by providing information about the most significant funds.

**DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2011

Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Other Supplemental Information provides detailed information about the Education Fund grants in detail, and the nonmajor special revenue funds.

Summarized below are the major features of DeKalb County Regional Office of Education No. 16's financial statements, including the portion of DeKalb County Regional Office of Education No. 16's activities they cover and the types of information they contain.

	Fund Statements		
	Government-wide Statements	Governmental Funds	Fiduciary Funds
Scope	Entire DeKalb County Regional Office of Education No. 16	The activities of DeKalb County Regional Office of Education, such as Institute, General Educational Development, and Education	Instances in which Regional Office of Education No. 16 administers resources on behalf of someone else, such as the distributive fund
Required financial statements	Statement of Net Assets Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Fiduciary Net Assets, Statement of Changes in Fiduciary Net Assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All additions and deductions during the year, regardless of when cash is received or paid

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011

REPORTING DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about DeKalb County Regional Office of Education No. 16 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of DeKalb County Regional Office of Education No. 16's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report DeKalb County Regional Office of Education No. 16's net assets and how they have changed. Net assets – the difference between DeKalb County Regional Office of Education No. 16's assets and liabilities- are one way to measure DeKalb County Regional Office of Education No. 16's financial health or financial position. Over time, increases or decreases in DeKalb County Regional Office of Education No. 16's net assets are an indicator of whether financial position is improving or deteriorating. To assess DeKalb County Regional Office of Education No. 16's overall health, additional non-financial factors, such as changes in DeKalb County Regional Office of Education No. 16's community and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, DeKalb County Regional Office of Education No. 16's activities are in one category:

- **Governmental activities:** All of DeKalb County Regional Office of Education No. 16's basic services are included here, such as grants and teacher certifications. Federal and state grants and local programs finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about DeKalb County Regional Office of Education No. 16's funds, focusing on its most significant or "major" funds – not DeKalb County Regional Office of Education No. 16 as a whole. Funds are accounting devices DeKalb County Regional Office of Education No. 16 uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law. DeKalb County Regional Office of Education No. 16 establishes other funds to control and manage money for particular purposes, such as accounting for special revenue funds, or to show that it is properly using certain revenues, such as federal grants.

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011

DeKalb County Regional Office of Education No. 16 has two kinds of funds:

- 1) *Governmental funds:* All of DeKalb County Regional Office of Education No. 16's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance DeKalb County Regional Office of Education No. 16's programs.

DeKalb County Regional Office of Education No. 16's governmental funds include General Fund, Institute Fund, General Education Development Fund, Fingerprinting Fund, Bus Permit Fund, Supervisory Fund, and Education Fund.

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

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

- 2) *Fiduciary funds:* DeKalb County Regional Office of Education No. 16 is the trustee for assets that belong to others. These funds include Agency Funds. Agency Funds are funds through which DeKalb County Regional Office of Education No. 16 administers and accounts for certain federal and/or state grants on behalf of others.

DeKalb County Regional Office of Education No. 16 is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. DeKalb County Regional Office of Education No. 16 excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statements for fiduciary funds include a Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of DeKalb County Regional Office of Education No. 16, assets exceeded liabilities by \$175,482 as of June 30, 2011.

The Government-wide statements also include \$197,811 in liabilities consisting of accounts payable, amounts due to other governments, and deferred revenue.

DeKalb County Regional Office of Education No. 16's financial position is the product of several financial transactions including the net results of activities.

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2011

The following table presents a summary of DeKalb County Regional Office of Education No. 16's net assets for the fiscal years ended June 30, 2011 and 2010.

	Governmental Activities	
	<u>2011</u>	<u>2010</u>
Current assets	\$373,293	\$341,297
Current liabilities	197,811	192,427
Net assets		
Unrestricted	65,836	84,448
Restricted for educational purposes	109,646	64,422
Total net assets	<u>\$175,482</u>	<u>\$148,870</u>

A portion of DeKalb County Regional Office of Education No. 16's net assets is restricted for educational purposes. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, was \$65,836 and \$84,448 at June 30, 2011 and 2010, respectively. In addition, net assets related to the Institute, GED, Education, and other Nonmajor funds are considered restricted for educational purposes.

Changes in net assets. DeKalb County Regional Office of Education No. 16's total revenues for the fiscal years ended June 30 2011 and 2010 were \$907,635 and \$1,037,894, respectively. The total cost of all programs and services for 2011 and 2010 was \$881,023 and \$1,014,845, respectively. The following tables present a summary of the changes in net assets for the fiscal years ended June 30, 2011 and 2010.

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENTS DISCUSSION AND ANALYSIS

June 30, 2011

	Governmental Activities	
	2011	2010
Revenues:		
Program revenues:		
Operating grants and contributions	\$ 480,060	\$ 638,106
General revenues:		
Local sources	106,710	80,650
State sources	960	1,960
On-behalf payments	319,905	317,178
Total revenues	907,635	1,037,894
 Expenses:		
Education:		
Salaries and benefits	78,410	104,975
Purchased services	471,633	351,930
Supplies and materials	9,077	5,858
Payments to other governments	1,998	234,904
Administrative:		
On-behalf payments	319,905	317,178
Total expenses	881,023	1,014,845
Change in net assets	26,612	23,049
Beginning net assets	148,870	125,821
Ending net assets	\$ 175,482	\$ 148,870

Operating grants and contributions account for 53% and 61% of the total revenue for June 30, 2011 and 2010, respectively. DeKalb County Regional Office of Education No. 16's expenses primarily relate to education which accounts for 64% and 69% of the total expenses for June 30, 2011 and 2010, respectively.

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2011

Governmental Activities

Revenues for governmental activities were \$907,635 and \$1,037,894 and expenses were \$881,023 and \$1,014,845 for 2011 and 2010, respectively.

The following table presents the cost of DeKalb County Regional Office of Education No. 16's functional governmental activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and DeKalb County Regional Office of Education No. 16's community by each of these functions.

	2011	
	Total Expenses	Net (Expenses) Revenues
Education		
Salaries and benefits	\$ 78,410	\$ -0-
Purchased services	471,633	(81,058)
Supplies and materials	9,077	-0-
Payments to other governments	1,998	-0-
Administrative		
On-behalf payments	319,905	(319,905)
Total expenses	<u>\$881,023</u>	<u>\$(400,963)</u>

- The cost of all governmental activities this year was \$881,023.
- Operating grants and contributions subsidized certain governmental activities with grants and contributions and other local revenues of \$480,060.

Net cost of governmental activities \$(400,963), was financed by local sources, state sources, and on-behalf payments that are not directly associated with the functions and objects above.

**DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2011

	2010	
	Total Expenses	Net (Expenses) Revenues
Education		
Salaries and benefits	\$ 104,975	\$ -0-
Purchased services	351,930	(59,561)
Supplies and materials	5,858	-0-
Payments to other governments	234,904	-0-
Administrative		
On-behalf payments	317,178	(317,178)
Total expenses	\$1,014,845	\$(376,739)

- The cost of all governmental activities this year was \$1,014,845.
- Charges for services and operating grants and contributions subsidized certain governmental activities with grants and contributions and other local revenues of \$638,106.

New cost of governmental activities \$(376,739), was financed by local sources, state sources, and on-behalf payments that are not directly associated with the functions and objects above.

INDIVIDUAL FUND ANALYSIS

As previously noted, DeKalb County Regional Office of Education No. 16 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of DeKalb County Regional Office of Education No. 16 as a whole is reflected in its governmental funds, as well. As DeKalb County Regional Office of Education No. 16 completed the year, its governmental funds reported a combined fund balance of \$175,482, above last year's ending fund balance of \$148,870.

Governmental Fund Highlights

- The Institute Fund balance decreased from \$64,422 in 2010 to \$57,635 in 2011.
- The General Educational Development Fund balance increased from \$35,286 in 2010 to \$41,750 in 2011 due to lower expenses of administering GED testing.
- The Education Fund balance realized a decrease from \$3,719 in 2010 to \$625 in 2011.

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011

BUDGETARY HIGHLIGHTS

DeKalb County Regional Office of Education No. 16 is not required to create a budget for overall operations. They are required to prepare budgets for four grants including Early Childhood Grant, Regional Safe Schools Grant, Alternative Education, and Learn and Serve America.

ECONOMIC FACTORS BEARING ON DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16'S FUTURE

At the time these financial statements were prepared and audited, DeKalb County Regional Office of Education No. 16 was aware of several existing circumstances that could significantly affect its financial health in the future:

The DeKalb County Regional Office of Education No. 16 operations rely heavily on the state budget, which is unstable and insufficient. Because of this instability, ROE operations have been decreased or level-funded.

CONTACTING DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16'S FINANCIAL MANAGEMENT

This financial report is designed to provide DeKalb County Regional Office of Education No. 16's citizens, taxpayers, customers and creditors with a general overview of DeKalb County Regional Office of Education No. 16's finances and to demonstrate DeKalb County Regional Office of Education No. 16's accountability for the money it receives. If you have questions about this report or need additional financial information, contact DeKalb County Regional Office of Education No. 16, 2500 N. Annie Glidden Road, Suite C, DeKalb, IL 60115.

BASIC FINANCIAL STATEMENTS

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
STATEMENT OF NET ASSETS

June 30, 2011

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 210,640
Governmental grants receivable	<u>162,653</u>
Total assets	<u>373,293</u>
LIABILITIES	
Accounts payable	152,295
Due to other governments	9,356
Deferred revenue	<u>36,160</u>
Total liabilities	<u>197,811</u>
NET ASSETS	
Unrestricted	65,836
Restricted for educational purposes	<u>109,646</u>
Total net assets	<u>\$ 175,482</u>

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

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
STATEMENT OF ACTIVITIES
Year Ended June 30, 2011

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Revenues</u> Operating Grants and Contributions	<u>Net (Expenses)</u> Revenues and Changes in Net Assets Primary Governmental Activities
Primary government:			
Governmental activities:			
Education:			
Salaries and benefits	\$ 78,410	\$ 78,410	\$ -
Purchased services	471,633	390,575	(81,058)
Supplies and materials	9,077	9,077	-
Payments to other governments	1,998	1,998	-
Administrative:			
On-behalf payments	319,905	-	(319,905)
Total primary government	<u>\$ 881,023</u>	<u>\$ 480,060</u>	<u>(400,963)</u>
General revenues:			
Local sources			106,710
State sources			960
On-behalf payments			<u>319,905</u>
Total general revenues			<u>427,575</u>
CHANGES IN NET ASSETS			26,612
NET ASSETS, BEGINNING OF YEAR			<u>148,870</u>
NET ASSETS, END OF YEAR			<u>\$ 175,482</u>

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

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	<u>General Fund</u>	<u>Institute Fund</u>
ASSETS		
Cash and cash equivalents	\$ 891	\$ 66,396
Governmental grants receivable	-	-
Due from other funds	9,323	-
	<hr/>	<hr/>
TOTAL ASSETS	\$ 10,214	\$ 66,396
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ -	\$ 8,761
Due to other governments	-	-
Due to other funds	-	-
Deferred Revenue	-	-
Total liabilities	<hr/>	<hr/>
	-	8,761
	<hr/> <hr/>	<hr/> <hr/>
FUND BALANCES		
Nonspendable	-	-
Restricted	-	57,635
Committed	-	-
Assigned	-	-
Unassigned	10,214	-
	<hr/>	<hr/>
Total fund balances	10,214	57,635
	<hr/> <hr/>	<hr/> <hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,214	\$ 66,396
	<hr/> <hr/>	<hr/> <hr/>

<u>General Educational Development Fund</u>	<u>Education Fund</u>	<u>Fingerprinting</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ 41,750	\$ 27,952	\$ 64,015	\$ 9,636	\$ 210,640
-	148,132	-	-	148,132
-	-	-	-	9,323
<hr/>				
\$ 41,750	\$ 176,084	\$ 64,015	\$ 9,636	\$ 368,095
<hr/>				
\$ -	\$ 120,620	\$ 8,393	\$ -	\$ 137,774
-	9,356	-	-	9,356
-	9,323	-	-	9,323
-	36,160	-	-	36,160
-	175,459	8,393	-	192,613
<hr/>				
-	-	-	-	-
41,750	625	-	9,636	109,646
-	-	-	-	-
-	-	55,622	-	55,622
-	-	-	-	10,214
<hr/>				
41,750	625	55,622	9,636	175,482
<hr/>				
\$ 41,750	\$ 176,084	\$ 64,015	\$ 9,636	\$ 368,095
<hr/>				

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

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2011

Total fund balances - governmental funds \$ 175,482

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

Because some revenues will not be collected for several months after the
Regional office fiscal year ends, they are not considered "available"
revenues in the governmental funds. 14,521

Because some revenues will not be collected for several months after the
Regional office fiscal year ends, corresponding expenses associated with
those revenues are not recognized in the governmental funds. (14,521)

Net assets of governmental activities \$ 175,482

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

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2010

	<u>General</u> <u>Fund</u>	<u>Institute</u> <u>Fund</u>
REVENUES		
Local sources	\$ 7,298	\$ 33,398
State sources	165,938	-
Federal sources	-	-
On-behalf payments	319,905	-
Total revenues	493,141	33,398
EXPENDITURES		
Education:		
Salaries and benefits	-	-
Purchased services	167,212	40,185
Supplies and materials	-	-
Payments to other governments	-	-
On-behalf payments	319,905	-
Total expenditures	487,117	40,185
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,024	(6,787)
FUND BALANCE, BEGINNING OF YEAR	4,190	64,422
FUND BALANCE, END OF YEAR	\$ 10,214	\$ 57,635

General Educational Development Fund	Education Fund	Fingerprinting	Other Nonmajor Funds	Total Governmental Funds
\$ 9,699	\$ 500	\$ 53,465	\$ 2,350	\$ 106,710
-	371,763	-	960	538,661
-	47,941	-	-	47,941
-	-	-	-	319,905
<hr/> 9,699	<hr/> 420,204	<hr/> 53,465	<hr/> 3,310	<hr/> 1,013,217
-	109,404	-	-	109,404
-	306,054	30,270	2,500	546,221
3,235	5,842	-	-	9,077
-	1,998	-	-	1,998
-	-	-	-	319,905
<hr/> 3,235	<hr/> 423,298	<hr/> 30,270	<hr/> 2,500	<hr/> 986,605
6,464	(3,094)	23,195	810	26,612
35,286	3,719	32,427	8,826	148,870
<hr/> \$ 41,750	<hr/> \$ 625	<hr/> \$ 55,622	<hr/> \$ 9,636	<hr/> \$ 175,482

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

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2011

Net change in fund balances	\$	26,612
Amounts reported for governmental activities in the Statement of Activities are different because:		
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		14,521
Revenues in the Statement of Activities in the prior year that do provide current financial resources are reported as revenues in the funds.		(120,103)
Expenses in the Statement of Activities that are incurred as a result of noncurrent financial resources are not reported as expenses in the funds.		(14,521)
Expenses in the Statement of Activities in the prior year that are incurred as a result of current financial resources are reported as expenses in the funds.		<u>120,103</u>
Change in net assets of governmental activities	\$	<u>26,612</u>

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

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2011

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,398
Due from others	1,074
Due from other governmental agencies	<u>176,602</u>
TOTAL ASSETS	\$ <u>179,074</u>
LIABILITIES	
Due to future scholarships	\$ 2,082
Due to other governmental agencies	<u>176,992</u>
TOTAL LIABILITIES	\$ <u>179,074</u>

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

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The DeKalb County Regional Office of Education No. 16 was created when an Educational Service Region became a Regional Office of Education on August 7, 1995. The DeKalb County Regional Office of Education No. 16 operates under the School Code (105 ILCS 5/3 and 5/3A). The Regional Office of Education encompasses DeKalb County, Illinois. A Regional Superintendent of Schools serves as Chief Administrative Officer of DeKalb County Regional Office of Education No. 16 and is elected pursuant to 105 ILCS 5/3 and 5/3A of the School Code. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

The functions of the DeKalb County Regional Office of Education No. 16 include, but are not limited to the following:

- Processing teachers' certificates
- Teaching initial and refresher classes for school bus drivers within DeKalb County Regional Office of Education No. 16
- Review life/safety requirements for schools in conjunction with the State of Illinois
- Issuing newsletters regarding new Illinois life/safety requirements
- Monitoring compliance with State laws and Department of Education policies and procedures
- Providing directions to teachers and school officials on science, art and teaching methods
- Implementing the State Board of Education's Policy Programs
- Encouraging camaraderie among teachers through the teachers' institute

The DeKalb County Regional Office of Education No. 16's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental agencies of this type.

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

The DeKalb County Regional Office of Education No. 16's reporting entity includes all related organizations for which it exercises oversight responsibility.

The DeKalb County Regional Office of Education No. 16 has developed criteria to determine whether outside agencies with activities which benefit the citizens of DeKalb County Regional Office of Education No. 16, including joint agreements which serve pupils from numerous school districts, should be included within its financial reporting entity. The criteria include but are not limited to, whether DeKalb County Regional Office of Education No. 16 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The Regional Superintendent has determined that no outside agency meets the above criteria and, therefore, no agency has been included as a component unit in the Regional Superintendent's financial statements. In addition, the Regional Superintendent is not aware of any entity which would exercise such oversight which would result in the Regional Superintendent being considered a component unit of the entity.

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation and Basis of Accounting

Government-wide Statements: The Statement of Net Assets and Statement of Activities report information on all of the activities of DeKalb County Regional Office of Education No. 16. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by intergovernmental and local revenues.

The Statement of Net Assets presents DeKalb County Regional Office of Education No. 16's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in the following categories:

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of the preceding category. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

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

DeKalb County Regional Office of Education No. 16 reports the following major governmental funds:

General Fund – is the primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is used to account for various expenditures as approved. Cost reimbursements are received from member districts.

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

General – This fund accounts for monies received for, and payment of expenditures in connection with general administration activities.

General State Aid Operations – used to account for monies received for, and payment of, expenses for general operations of alternative schools in the region.

In the prior year, this grant was reported in the Education Fund. Due to the general nature of this grant, the revenues and expenditures of the current year have been reported in the General Fund for the year ended June 30, 2011.

Institute – to account for the stewardship of the assets held in trust for the benefit of the teachers. Fees are collected from registration of teachers' certificates of qualification. Monies are expended to conduct teachers' institutes, conferences, and workshops. All funds generated remain restricted until expended only on the aforementioned activities.

General Educational Development – to account for the administration of the general educational development testing program. Revenues are received from testing and diploma fees.

Education Fund – to account for State and Federal grant monies received for, and payment of, administering numerous grant awards which include:

Early Childhood Grant – used to account for grant monies received for, and payment of, expenses for developing and operating programs for parents of young children.

Regional Safe Schools Grant – used to account for a grant that provides additional staff and materials for the alternative schools in the region.

General State Aid – used to account for monies received for, and payment of, expenses for general operations of alternative schools in the region.

ARRA Education Jobs Fund – used to account for monies received from the American Recovery and Reinvestment Act for, and payment of, expenses for education jobs.

Alternative Education – used to account for a grant that provides for funding for the alternative schools within the region.

Children and Family Services – used to provide on-line classes for middle school students to ensure they pass all of the required classes to graduate middle school and attend high school.

McKinney Homeless Grant – used to account for grant monies received for, and payment of, expenses for programs for educating homeless children.

Community Works – used to provide workshops for workforce development.

Learn and Serve America - used to account for grant monies received for, and payment of, expenses for programs for Learn and Serve America.

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

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

DeKalb County Regional Office of Education No. 16 reports the following nonmajor governmental funds:

Bus Permit – to account for the stewardship of the assets held in trust in connection with the Bus Driver Training Program.

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

Fiduciary Funds

Agency Funds – The Agency Funds are used to account for assets held by DeKalb County Regional Office of Education No. 16 as an agency for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Distributive – State and federal funds are distributed by the Illinois State Board of Education. Regional Office of Education No. 16 is responsible for forwarding these monies to local school districts and others in DeKalb County.

Scholarship – the source of this account is a bequest. Funds are to be used for scholarships.

Board of Trustees – the source of this account is from the petitions of citizens wishing to change school districts.

Outreach Workers – the source of this fund is a local school district in DeKalb County. Funds are collected from the local school districts then paid to DeKalb County to help fund a Truancy Outreach Worker in DeKalb County.

Measurement Focus and Basis of Accounting

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

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

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the DeKalb County Regional Office of Education No. 16.

DeKalb County Regional Office of Education No. 16 records on-behalf payments made by the State to the Teachers' Retirement System as revenue and expenditures.

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

Under the terms of grant agreements, DeKalb County Regional Office of Education No. 16 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 DeKalb County Regional Office of Education No. 16's policy to first apply restricted funds, then unrestricted. For unrestricted funds, committed funds are used first, then assigned, then unassigned if any.

DeKalb County Regional Office of Education No. 16 maintains its financial records on the cash basis. The financial statements of DeKalb County Regional Office of Education No. 16 are prepared by making memorandum adjusting entries to the cash basis financial records.

Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the balance sheet:

Cash – The cash balances of DeKalb County Regional Office of Education No. 16 are valued at cost.

Governmental grants receivable represents amounts primarily due from the Illinois State Board of Education.

Fund equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Capital Assets

Capital assets were acquired using the governmental resources of DeKalb County; therefore, the existing balance of capital assets will not be presented.

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Budgets and Budgetary Accounting

DeKalb County Regional Office of Education No. 16 does not adopt a formal budget for all revenues and expenditures of the governmental funds, nor are they legally required to do so. The Early Childhood Grant, Regional Safe Schools Grant, Alternative Education, and Learn and Serve America are administered by DeKalb County Regional Office of Education No. 16 and are subject to budget approval by the State of Illinois.

Salaries and Expenses

The Regional Superintendent and Assistant Superintendent's salaries are paid by the State of Illinois; all other employees are paid by the County of DeKalb. All certified personnel participate in the Teachers' Retirement System of the State of Illinois and others participate in the Illinois Municipal Retirement Fund with the contributions being paid by the County of DeKalb. Information about these retirement plans can be found in the basic financial statements of DeKalb County.

Intergovernmental Agreement

On August 7, 1992, DeKalb County Regional Office of Education No. 16 entered into an Intergovernmental Agreement executed pursuant to the provisions of the Intergovernmental Cooperation Clause of the Illinois Constitution as well as the provisions of the Intergovernmental Cooperation Act of 1973 and the Illinois Admin. Code 525.110. The name of the Educational Service delivery system formed is known as the Kishwaukee Intermediate Delivery System, (KIDS). Membership in KIDS is made up of the following Regional Offices of Education: Boone-Winnebago, DeKalb, and McHenry. The Boone-Winnebago ROE was designated as Administrative Agent.

NOTE 2: DEPOSITS AND INVESTMENTS

The deposit and investment of monies is governed by the provisions of the Illinois Compiled Statutes. At June 30, 2011, the carrying amount of the deposits was \$212,038 and the bank balance was \$210,940.

Deposits

Custodial credit risk – Custodial credit risk is the risk that in the event of a bank failure, DeKalb County Regional Office of Education No. 16's deposits may not be returned. DeKalb County Regional Office of Education No. 16 does not have a deposit policy or custodial credit risk. As of June 30, 2011, all of DeKalb County Regional Office of Education No. 16's deposits were covered by either FDIC insurance or collateral held by the bank in the name of DeKalb County Regional Office of Education No. 16.

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2011

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Investments

DeKalb County Regional Office of Education No. 16 does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2011, DeKalb County Regional Office of Education No. 16 had investments with carrying and fair values of \$7,527 invested in the Illinois Funds Money Market Fund.

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 Investment Act, 30 ILCS 235. All investments are fully collateralized.

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

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

NOTE 3: PENSIONS

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

NOTE 4 – DISPOSITION OF DISTRIBUTIVE FUND INTEREST

Revenues are partially derived from interest on deposits of the various funds under the jurisdiction of DeKalb County Regional Office of Education No. 16. A substantial portion of these interest earnings have been earned on monies which are passed through from the Illinois State Board of Education to the various school districts within the County of DeKalb.

Illinois Compiled Statutes require that interest earned by a public agency on investments of funds held for, but owned by, another public agency shall be credited to the public agency for which the investment is made, i.e. the owner of the funds.

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2011

NOTE 4: DISPOSITION OF DISTRIBUTIVE FUND INTEREST (Continued)

Per an intergovernmental agreement between DeKalb County Regional Office of Education No. 16 and the school districts, 80% of distributive fund interest earned is remitted to the school districts and 20% is retained by DeKalb County Regional Office of Education No. 16.

NOTE 5 – ON-BEHALF PAYMENTS

Salaries of the Regional Superintendent and his first assistant are paid by the State of Illinois. All other salaries are paid by DeKalb County. Pension plan contributions associated with these salaries are also paid, respectively, by the State of Illinois and DeKalb County.

A breakdown of the on-behalf payments for the Regional Superintendent, his first assistant, and the County employees are as follows:

Regional Superintendent – salary	\$ 96,435
Regional Superintendent – TRS	22,276
Regional Superintendent – benefits (includes state paid insurance)	14,525
Assistant Regional Superintendent – salary	86,791
Assistant Regional Superintendent – TRS	20,049
Assistant Regional Superintendent – benefits (includes state paid insurance)	<u>13,962</u>
 Total State of Illinois on-behalf payments	 <u>254,038</u>
 County employees – salaries	 51,643
County employees – benefits	<u>14,224</u>
 Total DeKalb County on-behalf payments	 <u>65,867</u>
 Total on-behalf payments	 <u>\$ 319,905</u>

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education. Salary and benefit data for the County employees was calculated based on data provided by the DeKalb County Regional Office of Education No. 16.

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2011

NOTE 6: DUE TO/FROM OTHER GOVERNMENTAL AGENCIES

The DeKalb County Regional Office of Education No. 16's has funds due to/from various other governmental units which consist of the following:

Education

Due from Other Governmental Agencies

Illinois State Board of Education	\$ 161,196
Other local education agencies	<u>1,457</u>
Total	<u>\$ 162,653</u>

Due to Other Governmental Agencies

Illinois State Board of Education	\$ 1,998
Other local education agencies	<u>7,358</u>
Total	<u>\$ 9,356</u>

Agency

Due from Other Governmental Agencies

Illinois State Board of Education	<u>\$ 176,602</u>
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Due to Other Governmental Agencies

Other local education agencies	<u>\$ 176,992</u>
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NOTE 7: RISK MANAGEMENT

DeKalb County Regional Office of Education No. 16 is exposed to various risks of loss related to torts, theft, damage to and destruction of assets; errors and omissions; injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. DeKalb County Regional Office of Education No. 16 assumes liability for any deductibles and claims in excess of coverage limitations. There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the year.

NOTE 8: 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.

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2011

NOTE 8: GOVERNMENTAL FUND BALANCES (Continued)

Nonspendable Fund Balance – the portion of a Governmental Fund's net assets that are not available to be spent, either short term or long term, in either form or through legal restrictions. There are no accounts presenting a nonspendable fund balance.

Restricted Fund Balance – the portion of a Governmental Fund's net assets that are subject to external enforceable legal restrictions. The following funds are restricted by Illinois Statute: Institute, General Education Development, Transportation, and Supervisory.

Institute Fund	\$ 57,635
General Education:	
Development Fund	41,750
Education Fund:	
General State Aid	23
Alternative Education	323
Community Works	279
Other Nonmajor Funds:	
Bus Permit	9,377
Supervisory	259
	<u>\$109,646</u>

Committed Fund Balance – the portion of a Governmental Fund's net assets with self-imposed constraints or limitations that have been placed at the highest level of decision making. There are no accounts presenting a committed fund balance.

Assigned Fund Balance – the portion of a Governmental Fund's net assets to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The Fingerprinting accounts present an assigned fund balance.

Unassigned Fund Balance – available expendable financial resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of the General Fund.

Regional Office of Education No. 16's
Fund Balances:

	<u>General Fund</u>	<u>Institute</u>	<u>General Education Development</u>	<u>Education</u>	<u>Finger- Printing</u>	<u>Other Non-major Funds</u>
Restricted for:						
Educational purposes	\$ -0-	\$57,635	\$41,750	\$ 625	\$ -0-	\$9,636
Assigned:	-0-	-0-	-0-	-0-	55,622	-0-
Unassigned:	10,214	-0-	-0-	-0-	-0-	-0-
	<u>\$10,214</u>	<u>\$57,635</u>	<u>\$41,750</u>	<u>\$ 625</u>	<u>\$55,622</u>	<u>\$9,636</u>
Total fund balances						

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS
 June 30, 2011

NOTE 9: INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payable at June 30, 2011 were:

Fund	Due From	Due To
Education Fund		
Alternative Education	\$7,866	\$ -0-
Mckinney Homeless Grant	1,457	-0-
General Fund		
General	-0-	9,323
	<u>\$9,323</u>	<u>\$9,323</u>

Short-term Interfund receivables to the General Fund from the Education Fund existed at times during the year and at June 30, 2011 to cover funding short falls related to late program payments.

NOTE 10: NEW PRONOUNCEMENTS

In 2011, Dekalb County Regional Office of Education #16 adopted *Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, GASB Statement No. 59, Financial Instruments Omnibus, and GASB No. 62, Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 GASB and AICPA Pronouncements*. The Regional Office of Education implemented these standards during the current year, however there was no significant impact of the implementation of No. 59 and No. 62 on the financial statements.

OTHER SUPPLEMENTAL INFORMATION

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2011

	General	General State Aid Operations	Total
ASSETS			
Cash and cash equivalents	\$ 891	\$ -	\$ 891
Government grants receivable	-	-	-
Due from other funds	9,323	-	9,323
Total assets	\$ 10,214	\$ -	\$ 10,214
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other governments	-	-	-
Total liabilities	-	-	-
FUND BALANCE			
Fund balance: unassigned	10,214	-	10,214
TOTAL LIABILITIES AND FUND BALANCE	\$ 10,214	\$ -	\$ 10,214

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
Year Ended June 30, 2011

	<u>General</u>	<u>General State Aid Operations</u>	<u>Total</u>
REVENUES			
Local sources			
Other	\$ 7,298	\$ -	\$ 7,298
State sources	-	165,938	165,938
Federal sources	-	-	-
On-behalf payments	319,905	-	319,905
Total revenues	<u>327,203</u>	<u>165,938</u>	<u>493,141</u>
EXPENDITURES			
Purchased services	1,274	165,938	167,212
Supplies and materials	-	-	-
Payments to other governments	-	-	-
On-behalf payments	319,905	-	319,905
Total expenditures	<u>321,179</u>	<u>165,938</u>	<u>487,117</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,024	-	6,024
FUND BALANCE, BEGINNING OF YEAR	<u>4,190</u>	<u>-</u>	<u>4,190</u>
FUND BALANCE, END OF YEAR	<u>\$ 10,214</u>	<u>\$ -</u>	<u>\$ 10,214</u>

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
 June 30, 2011

	<u>Early Childhood Grant</u>	<u>Regional Safe Schools Grant</u>	<u>General State Aid</u>	<u>ARRA Education Jobs Fund</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 23	\$ 7,358
Governmental grants receivable	55,639	37,000	-	-
TOTAL ASSETS	<u>\$ 55,639</u>	<u>\$ 37,000</u>	<u>\$ 23</u>	<u>\$ 7,358</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 37,773	\$ 37,000	\$ -	\$ -
Due to other governments	1,998	-	-	7,358
Due to other funds	-	-	-	-
Deferred revenue	15,868	-	-	-
Total liabilities	<u>55,639</u>	<u>37,000</u>	<u>-</u>	<u>7,358</u>
FUND BALANCES				
Restricted	-	-	23	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 55,639</u>	<u>\$ 37,000</u>	<u>\$ 23</u>	<u>\$ 7,358</u>

<u>Alternative Education</u>	<u>Children and Family Service Grant</u>	<u>McKinney Homeless Grant</u>	<u>Community Works</u>	<u>Learn and Serve America</u>	<u>Total</u>
\$ -	\$ 20,292	\$ -	\$ 279	\$ -	\$ 27,952
54,036	-	1,457	-	-	148,132
<u>\$ 54,036</u>	<u>\$ 20,292</u>	<u>\$ 1,457</u>	<u>\$ 279</u>	<u>\$ -</u>	<u>\$ 176,084</u>
\$ 45,847	\$ -	\$ -	\$ -	\$ -	\$ 120,620
-	-	-	-	-	9,356
7,866	-	1,457	-	-	9,323
-	20,292	-	-	-	36,160
<u>53,713</u>	<u>20,292</u>	<u>1,457</u>	<u>-</u>	<u>-</u>	<u>175,459</u>
323	-	-	279	-	625
<u>\$ 54,036</u>	<u>\$ 20,292</u>	<u>\$ 1,457</u>	<u>\$ 279</u>	<u>\$ -</u>	<u>\$ 176,084</u>

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2011

	Early Childhood <u>Grant</u>	Regional Safe Schools <u>Grant</u>	General State <u>Aid</u>	ARRA Education <u>Jobs Fund</u>
REVENUES				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	105,743	143,223	-	-
Federal sources	-	-	-	15,109
Total revenues	105,743	143,223	-	15,109
EXPENDITURES				
Education:				
Salaries and benefits	-	-	-	-
Purchased services	103,745	143,223	-	15,109
Supplies and materials	-	-	-	-
Payments to other governments	1,998	-	-	-
Total expenditures	105,743	143,223	-	15,109
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	23	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 23	\$ -

<u>Alternative Education</u>	<u>Children and Family Service Grant</u>	<u>McKinney Homeless Grant</u>	<u>Community Works</u>	<u>Learn and Serve America</u>	<u>Total</u>
\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 500
121,061	1,736	-	-	-	371,763
-	-	22,832	-	10,000	47,941
121,561	1,736	22,832	-	10,000	420,204
109,404	-	-	-	-	109,404
6,100	1,736	25,958	183	10,000	306,054
5,842	-	-	-	-	5,842
-	-	-	-	-	1,998
121,346	1,736	25,958	183	10,000	423,298
215	-	(3,126)	(183)	-	(3,094)
108	-	3,126	462	-	3,719
\$ 323	\$ -	\$ -	\$ 279	\$ -	\$ 625

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2011

	2011 Early Childhood Grant		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ -	\$ -	\$ -
State sources	104,433	76,863	(27,570)
Federal sources	-	-	-
Total revenues	104,433	76,863	(27,570)
EXPENDITURES			
Salaries and benefits	-	-	-
Purchased services	104,433	74,865	29,568
Supplies and materials	-	-	-
Payments to other governments	-	1,998	(1,998)
Total expenditures	104,433	76,863	27,570
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	\$ -
FUND BALANCE, BEGINNING OF YEAR		-	
FUND BALANCE, END OF YEAR		\$ -	

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2011

	2010 Early Childhood Grant		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ -	\$ -	\$ -
State sources	86,630	28,880	(57,750)
Federal sources	-	-	-
	86,630	28,880	(57,750)
Total revenues	86,630	28,880	(57,750)
EXPENDITURES			
Salaries and benefits	-	-	-
Purchased services	86,630	28,880	57,750
Supplies and materials	-	-	-
Payments to other governments	-	-	-
	86,630	28,880	57,750
Total expenditures	86,630	28,880	57,750
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	\$ -
FUND BALANCE, BEGINNING OF YEAR		-	
FUND BALANCE, END OF YEAR		\$ -	

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2011

	2011 Regional Safe Schools Grant		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	-	-	-
State sources	\$ 97,515	\$ 92,000	\$ (5,515)
Federal sources	-	-	-
Total revenues	97,515	92,000	(5,515)
EXPENDITURES			
Salaries and benefits	-	-	-
Purchased services	97,515	92,000	5,515
Supplies and materials	-	-	-
Payments to other governments	-	-	-
Total expenditures	97,515	92,000	5,515
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	\$ -
FUND BALANCE, BEGINNING OF YEAR		-	
FUND BALANCE, END OF YEAR		\$ -	

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2011

	2010 Regional Safe Schools Grant		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Local sources	\$ -	\$ -	\$ -
State sources	159,223	51,223	(108,000)
Federal sources	-	-	-
Total revenues	<u>159,223</u>	<u>51,223</u>	<u>(108,000)</u>
EXPENDITURES			
Salaries and benefits	-	-	-
Purchased services	159,223	51,223	108,000
Supplies and materials	-	-	-
Payments to other governments	-	-	-
Total expenditures	<u>159,223</u>	<u>51,223</u>	<u>108,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE, BEGINNING OF YEAR		<u>-</u>	
FUND BALANCE, END OF YEAR		<u>\$ -</u>	

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2011

	2011 Alternative Education		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Local sources	\$ -	\$ 500	\$ 500
State sources	90,067	81,061	(9,006)
Federal sources	-	-	-
Total revenues	90,067	81,561	(8,506)
EXPENDITURES			
Salaries and benefits	78,410	69,404	9,006
Purchased services	6,100	6,100	-
Supplies and materials	5,557	5,842	(285)
Payments to other governments	-	-	-
Total expenditures	90,067	81,346	8,721
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	215	\$ 215
FUND BALANCE, BEGINNING OF YEAR		108	
FUND BALANCE, END OF YEAR		\$ 323	

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2011

	2010 Alternative Education		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Local sources	\$ -	\$ -	\$ -
State sources	112,177	40,000	(72,177)
Federal sources	-	-	-
Total revenues	<u>112,177</u>	<u>40,000</u>	<u>(72,177)</u>
EXPENDITURES			
Salaries and benefits	104,975	40,000	64,975
Purchased services	6,500	-	6,500
Supplies and materials	702	-	702
Payments to other governments	-	-	-
Total expenditures	<u>\$ 112,177</u>	<u>40,000</u>	<u>\$ 72,177</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, BEGINNING OF YEAR		<u>-</u>	
FUND BALANCE, END OF YEAR		<u>\$ -</u>	

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2011

	2011 Learn and Serve America		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	-
Federal sources	10,000	10,000	-
Total revenues	10,000	10,000	-
EXPENDITURES			
Salaries and benefits	-	-	-
Purchased services	9,250	10,000	(750)
Supplies and materials	750	-	750
Payments to other governments	-	-	-
Total expenditures	10,000	10,000	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	\$ -
FUND BALANCE, BEGINNING OF YEAR		-	
FUND BALANCE, END OF YEAR		\$ -	

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2011

	<u>Bus Permit</u>	<u>Supervisory</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 9,377	\$ 259	\$ 9,636
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other governments	\$ -	\$ -	\$ -
FUND BALANCES			
Restricted	9,377	259	\$ 9,636
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,377</u>	<u>\$ 259</u>	<u>\$ 9,636</u>

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2011

	<u>Bus</u> <u>Permit</u>	<u>Supervisory</u>	<u>Total</u>
REVENUES			
Local sources	\$ 2,350	\$ -	\$ 2,350
State sources	960	-	960
Total revenues	3,310	-	3,310
EXPENDITURES			
Education:			
Purchased services	1,425	1,075	2,500
	1,425	1,075	2,500
EXCESS (DEFICIENCY) OF REVENUES			
OVER (UNDER) EXPENDITURES	1,885	(1,075)	810
FUND BALANCE,			
BEGINNING OF YEAR	7,492	1,334	8,826
FUND BALANCE, END OF YEAR	\$ 9,377	\$ 259	\$ 9,636

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
 June 30, 2011

	<u>Distributive</u>	<u>Scholarship</u>	<u>Board of Trustees</u>	<u>Outreach Workers</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 254	\$ 2,082	\$ 136	\$ (1,074)	\$ 1,398
Due from others	-	-	-	1,074	1,074
Due from other governmental agencies	176,602	-	-	-	176,602
TOTAL ASSETS	<u>\$ 176,856</u>	<u>\$ 2,082</u>	<u>\$ 136</u>	<u>\$ -</u>	<u>\$ 179,074</u>
LIABILITIES					
Due to future scholarships	\$ -	\$ 2,082	\$ -	\$ -	\$ 2,082
Due to other governmental agencies	176,856	-	136	-	176,992
TOTAL LIABILITIES	<u>\$ 176,856</u>	<u>\$ 2,082</u>	<u>\$ 136</u>	<u>\$ -</u>	<u>\$ 179,074</u>

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
COMBINING STATEMENT OF CHANGES - ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2011

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>Distributive</u>				
ASSETS				
Cash and cash equivalents	\$ 254	\$ 334,083	\$ 334,083	\$ 254
Due from other governmental agencies	224,484	176,602	224,484	176,602
	<u>\$ 224,738</u>	<u>\$ 510,685</u>	<u>\$ 558,567</u>	<u>\$ 176,856</u>
LIABILITIES				
Due to other governmental agencies	<u>\$ 224,738</u>	<u>\$ 510,685</u>	<u>\$ 558,567</u>	<u>\$ 176,856</u>
 <u>Scholarship</u>				
ASSETS				
Cash	<u>\$ 2,082</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,082</u>
LIABILITIES				
Due to future scholarships	<u>\$ 2,082</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,082</u>
 <u>Board of Trustees</u>				
ASSETS				
Cash	<u>\$ 136</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136</u>
LIABILITIES				
Due to other governmental agencies	<u>\$ 136</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136</u>

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
COMBINING STATEMENT OF CHANGES - ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2011

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>Outreach Workers</u>				
ASSETS				
Cash (overdraft)	\$ (1,074)	\$ -	\$ -	\$ (1,074)
Due from others	1,074	-	-	1,074
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ -
LIABILITIES				
None	\$ -	\$ -	\$ -	\$ -
 <u>Totals</u>				
ASSETS				
Cash and cash equivalents	\$ 1,398	\$ 334,083	\$ 334,083	\$ 1,398
Due from others	1,074	-	-	1,074
Due from other governmental agencies	224,484	176,602	224,484	176,602
TOTAL ASSETS	\$ 226,956	\$ 510,685	\$ 558,567	\$ 179,074
LIABILITIES				
Due to future scholarships	\$ 2,082	\$ -	\$ -	\$ 2,082
Due to other governmental agencies	224,874	510,685	558,567	176,992
TOTAL LIABILITIES	\$ 226,956	\$ 510,685	\$ 558,567	\$ 179,074

DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
SCHEDULE OF DISBURSEMENTS TO OTHER ENTITIES - DISTRIBUTIVE FUND

June 30, 2011

	<u>K.E.C.</u>
Career and Technical Ed	\$ 41,000
Career and Technical Ed Improvement	336,602
Agriculture Education	10,672
V.E. Perkins Title IIC - Secondary	<u>122,411</u>
TOTAL	\$ <u>510,685</u>