

**STATE OF ILLINOIS  
McHENRY COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 44  
FINANCIAL AUDIT  
FOR THE YEAR ENDED JUNE 30, 2012**

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

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# McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44

## AGENCY OFFICIALS

|  |                                      |
|--|--------------------------------------|
| Regional Superintendent (during audit period May 1, 2012 – June 30, 2012 and current)      | Ms. Leslie A. Schermerhorn           |
| Regional Superintendent (during audit period July 1, 2011 through April 30, 2012)          | No Regional Superintendent           |
| Assistant Regional Superintendent (December 1, 2012 and current)                           | Dr. Amy Weiss Narea                  |
| Assistant Regional Superintendent (July 1, 2012 through November 30, 2012)                 | Dr. Michael Anderson                 |
| Assistant Regional Superintendent (during audit period July 1, 2011 through June 30, 2012) | No Assistant Regional Superintendent |

Agency offices are located at:

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

# McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44

## FINANCIAL REPORT SUMMARY

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

### AUDITOR'S REPORTS

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

### SUMMARY OF AUDIT FINDINGS

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

### SCHEDULE OF FINDINGS AND RESPONSES

| <u>Item No.</u> | <u>Page(s)</u> | <u>Description</u> | <u>Finding Type</u> |
|-----------------|----------------|--------------------|---------------------|
|-----------------|----------------|--------------------|---------------------|

#### FINDINGS (GOVERNMENT AUDITING STANDARDS)

-N/A-

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

-N/A-

### EXIT CONFERENCE

An informal exit conference was held in person with agency personnel on October 4, 2012. Attending were Ms. Leslie A. Schermerhorn, Regional Superintendent, Ms. Barbara Murray, Office Manager and Jeffery L. Johnson, Senior Manager of Wipfli LLP. There were no findings to discuss.

# McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44

## FINANCIAL STATEMENT REPORT SUMMARY

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

Based on their audit, the auditors expressed an unqualified opinion on the Agency's basic financial statements.

## INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the McHenry County Regional Office of Education No. 44, as of and for the year ended June 30, 2012, which collectively comprise the McHenry County Regional Office of Education No. 44's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the McHenry County Regional Office of Education No. 44's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the McHenry County Regional Office of Education No. 44, as of June 30, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 25, 2013 on our consideration of the McHenry County Regional Office of Education No. 44's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 12 through 16, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the McHenry County Regional Office of Education #44's financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities are fairly stated in all material respects in relation to the financial statements taken as a whole.

*Wipfli LLP*

Dixon, Illinois  
July 25, 2013

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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the McHenry County Regional Office of Education No. 44, as of and for the year ended June 30, 2012, which collectively comprise the McHenry County Regional Office of Education No. 44's basic financial statements and have issued our report thereon dated July 25, 2013. 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 McHenry County Regional Office of Education No. 44 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the McHenry County Regional Office of Education No. 44's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the McHenry County Regional Office of Education No. 44's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the McHenry County Regional Office of Education No. 44's internal control over financial reporting.

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

Our consideration of 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 internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

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

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, others within the entity 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  
July 25, 2013

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
Year Ended June 30, 2012

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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

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**SCHEDULE OF FINDINGS AND RESPONSES (Continued)**  
Year Ended June 30, 2012

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Section II: Financial Statement Findings:

-N/A-

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS**  
Year Ended June 30, 2012

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**Corrective Action Plan:**

-N/A-

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
Year Ended June 30, 2012

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| <b><u>Finding<br/>Number</u></b> | <b><u>Condition</u></b> | <b><u>Current Status</u></b> |
|----------------------------------|-------------------------|------------------------------|
|----------------------------------|-------------------------|------------------------------|

-N/A-

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

June 30, 2012

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As management of McHenry County Regional Office of Education No. 44, we offer the readers of the financial statements this narrative overview and analysis of the financial activities of McHenry County Regional Office of Education No. 44 for the year ended June 30, 2012 as compared to the year ended June 30, 2011.

Management's Discussion and Analysis ("MD&A") is provided at the beginning of the report to provide an overview of McHenry County Regional Office of Education No. 44's financial position at June 30, 2012 and the results of operations for the year ended. This summary should not be taken as a replacement for the audit report, which consists of the financial statements, notes to the financial statements, required and other supplementary information.

## Using This Financial Report

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

## Government – Wide Financial Statements

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

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

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

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

June 30, 2012

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## Fund Financial Statements

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

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

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

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

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

June 30, 2012

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Net assets are summarized in the table below:

| <b>Condensed Statement of Net Assets</b> |                             |                             |
|--|-----------------------------|-----------------------------|
|  | <b><u>June 30, 2012</u></b> | <b><u>June 30, 2011</u></b> |
| <b>Assets:</b>                           |                             |                             |
| Current Assets                           | \$526,612                   | \$798,567                   |
| Capital Assets                           | -0-                         | -0-                         |
| <b>Total Assets</b>                      | <b><u>526,612</u></b>       | <b><u>798,567</u></b>       |
| <b>Liabilities:</b>                      |                             |                             |
| Current Liabilities                      | 80,456                      | 438,232                     |
| Non-current Liabilities                  | -0-                         | -0-                         |
| <b>Total Liabilities</b>                 | <b><u>80,456</u></b>        | <b><u>438,232</u></b>       |
| <b>Net Assets:</b>                       |                             |                             |
| Unrestricted                             | 67,887                      | 58,653                      |
| Restricted for educational purposes      | <u>378,269</u>              | <u>301,682</u>              |
| <b>Total Net Assets</b>                  | <b><u>\$446,156</u></b>     | <b><u>\$360,335</u></b>     |

Current assets consist of cash and cash equivalents of \$468,088 and due from other governments of \$58,524.

As of June 30, 2012, McHenry County Regional Office of Education No. 44 had no outstanding long-term debt.

Net assets related to the Institute Fund, GED Fund, and other non-major funds are considered restricted for educational purposes.

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

June 30, 2012

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

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

|                                    | <u>June 30, 2012</u> | <u>June 30, 2011</u> |
|------------------------------------|----------------------|----------------------|
| Revenues received:                 |                      |                      |
| Program:                           |                      |                      |
| Operating grants and contributions | \$ 503,354           | \$ 1,699,350         |
| General:                           |                      |                      |
| Local sources                      | 212,393              | 159,625              |
| On-behalf payments                 | 270,820              | 487,060              |
| Interest                           | 408                  | 360                  |
| Miscellaneous                      | 75                   | 2,523                |
| Total revenue received             | <u>987,050</u>       | <u>2,348,918</u>     |
| Expenditures disbursed:            |                      |                      |
| Instructional services:            |                      |                      |
| Purchased services                 | 149,468              | 239,830              |
| Supplies and materials             | 7,124                | 45,094               |
| Payments to other governments      | 473,817              | 1,539,313            |
| Administrative services:           |                      |                      |
| On-behalf payments                 | <u>270,820</u>       | <u>487,060</u>       |
| Total expenditures disbursed       | <u>901,229</u>       | <u>2,311,297</u>     |
| Change in net assets               | 85,821               | 37,621               |
|                                    |                      |                      |
| Net assets – beginning             | <u>360,335</u>       | <u>322,714</u>       |
| Net assets – ending                | <u>\$ 446,156</u>    | <u>\$ 360,335</u>    |

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

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

During the year ended June 30, 2012, the Regional Office of Education did not invest any monies in capital assets.

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

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

June 30, 2012

---

The McHenry County Regional Office of Education did see an increase of \$85,821 in net assets from July 1, 2011 through June 30, 2012. The increase is due to changes in the net assets in the following six funds:

General Fund – change in net assets was (\$1,600)

Education Fund – change in net assets was (\$-0-)

Institute Fund – change in net assets was \$76,114

Fingerprinting – change in net assets was \$10,834

General Educational Development – change in net assets was (\$2,136)

Non major funds – change in net assets was \$2,609

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

The decrease in revenues in the Education fund was a result of less federal grant revenue during fiscal year 2012. This resulted in decreased payments to other governments. There were no other significant changes to expenditures.

The increase in Institute Fund revenues was due to an increase in teacher certificates being issued. The expenses decreased due to a decrease in teacher workshop expense during the year.

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

**Factors or Conditions Impacting Future Periods**

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

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

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

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

## **BASIC FINANCIAL STATEMENTS**

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**STATEMENT OF NET ASSETS**  
 June 30, 2012

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|                                     | <u>Primary Government<br/>Governmental<br/>Activities</u> |
|-------------------------------------|---|
| <b><u>ASSETS</u></b>                |   |
| Current Assets:                     |   |
| Cash and cash equivalents           | \$ 468,088  |
| Due from other governments          | 58,524  |
| Total Current Assets                | 526,612   |
| <b><u>LIABILITIES</u></b>           |   |
| Current Liabilities:                |   |
| Accounts payable                    | 8,982   |
| Deferred revenue                    | 12,950  |
| Due to other governments            | 58,524  |
| Total Current Liabilities           | 80,456  |
| <b><u>NET ASSETS</u></b>            |   |
| Unrestricted                        | 67,887  |
| Restricted for educational purposes | 378,269   |
| Total Net Assets                    | \$ 446,156  |

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

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION No. 44**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2012

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|                               | <u>Expenses</u>   | <u>Program Revenues<br/>Operating Grants and Contributions</u> | <u>Net (Expense) Revenue and Changes in Net Assets<br/>Primary Governmental Activities</u> |
|-------------------------------|-------------------|--|--|
| <b>FUNCTIONS/PROGRAMS</b>     |                   |  |  |
| Primary Government:           |                   |  |  |
| Governmental activities:      |                   |  |  |
| Instructional Services:       |                   |  |  |
| Purchased services            | \$ 149,468        | \$ 29,537  | \$ (119,931)   |
| Supplies and materials        | 7,124             | -0-  | (7,124)  |
| Payments to other governments | 473,817           | 473,817  | -0-  |
| Administrative:               |                   |  |  |
| On-behalf payments            | 270,820           | -0-  | (270,820)  |
| Total Governmental Activities | <u>\$ 901,229</u> | <u>\$ 503,354</u>  | <u>(397,875)</u>   |
|                               |                   |  |  |
| General Revenues:             |                   |  |  |
| Local sources                 |                   |  | 212,393  |
| On-behalf payments            |                   |  | 270,820  |
| Interest                      |                   |  | 408  |
| Miscellaneous                 |                   |  | 75   |
| Total general revenues        |                   |  | <u>483,696</u>   |
|                               |                   |  |  |
| Change in net assets          |                   |  | 85,821   |
|                               |                   |  |  |
| Net Assets - Beginning        |                   |  | <u>360,335</u>   |
|                               |                   |  |  |
| Net Assets - Ending           |                   |  | <u>\$ 446,156</u>  |

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

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

June 30, 2012

|  | <u>General<br/>Fund</u> | <u>Education</u> | <u>Institute</u>  | <u>General<br/>Educational<br/>Development</u> | <u>Finger-<br/>Printing</u> | <u>Other<br/>Non-Major<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------------|------------------|-------------------|--|-----------------------------|--------------------------------------|---|
| <b><u>ASSETS</u></b>                           |                         |                  |                   |  |                             |                                      |   |
| Cash and cash equivalents                      | \$ 14,499               | \$ -0-           | \$ 329,837        | \$ 38,923                                      | \$ 73,180                   | \$ 11,649                            | \$ 468,088                              |
| Due from other governments                     | -0-                     | 58,524           | -0-               | -0-  | -0-                         | -0-                                  | 58,524                                  |
| <b>Total assets</b>                            | <b>\$ 14,499</b>        | <b>\$ 58,524</b> | <b>\$ 329,837</b> | <b>\$ 38,923</b>                               | <b>\$ 73,180</b>            | <b>\$ 11,649</b>                     | <b>\$ 526,612</b>                       |
| <b><u>LIABILITIES</u></b>                      |                         |                  |                   |  |                             |                                      |   |
| Accounts payable                               | \$ -0-                  | \$ -0-           | \$ -0-            | \$ 2,140                                       | \$ 6,842                    | \$ -0-                               | \$ 8,982                                |
| Deferred revenue                               | -0-                     | -0-              | -0-               | -0-  | 12,950                      | -0-                                  | 12,950                                  |
| Due to other governments                       | -0-                     | 58,524           | -0-               | -0-  | -0-                         | -0-                                  | 58,524                                  |
| <b>Total liabilities</b>                       | <b>-0-</b>              | <b>58,524</b>    | <b>-0-</b>        | <b>2,140</b>                                   | <b>19,792</b>               | <b>-0-</b>                           | <b>80,456</b>                           |
| <b><u>FUND BALANCES</u></b>                    |                         |                  |                   |  |                             |                                      |   |
| Nonspendable                                   | -0-                     | -0-              | -0-               | -0-  | -0-                         | -0-                                  | -0-                                     |
| Restricted                                     | -0-                     | -0-              | 329,837           | 36,783   | -0-                         | 11,649                               | 378,269                                 |
| Committed                                      | -0-                     | -0-              | -0-               | -0-  | -0-                         | -0-                                  | -0-                                     |
| Assigned                                       | -0-                     | -0-              | -0-               | -0-  | 53,388                      | -0-                                  | 53,388                                  |
| Unassigned                                     | 14,499                  | -0-              | -0-               | -0-  | -0-                         | -0-                                  | 14,499                                  |
| <b>Total fund balances</b>                     | <b>14,499</b>           | <b>-0-</b>       | <b>329,837</b>    | <b>36,783</b>                                  | <b>53,388</b>               | <b>11,649</b>                        | <b>446,156</b>                          |
| <b>Total liabilities<br/>and fund balances</b> | <b>\$ 14,499</b>        | <b>\$ 58,524</b> | <b>\$ 329,837</b> | <b>\$ 38,923</b>                               | <b>\$ 73,180</b>            | <b>\$ 11,649</b>                     | <b>\$ 526,612</b>                       |

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

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

June 30, 2012

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|  |           |                              |
|--|-----------|------------------------------|
| <b>Total fund balances - governmental funds</b>  | \$        | 446,156                      |
| Amounts reported for governmental activities in the<br>Statement of Net Assets are different because:  |           |                              |
| Certain revenues in the funds that provide current financial resources<br>were reported as revenues in the prior year statement of activities            |           | (331,885)                    |
| Certain expenses in the funds that were incurred as a result of current<br>resources were reported as expenses in the prior year statement of activities |           | <u>331,885</u>               |
| <b>Net assets of governmental activities</b>   | <b>\$</b> | <b><u><u>446,156</u></u></b> |

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

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Year Ended June 30, 2012

|  | <u>General<br/>Fund</u> | <u>Education</u> | <u>Institute</u>  | <u>General<br/>Educational<br/>Development</u> | <u>Finger-<br/>Printing</u> | <u>Other<br/>Non-Major<br/>Funds</u> | <u>Total</u>      |
|--|-------------------------|------------------|-------------------|--|-----------------------------|--------------------------------------|-------------------|
| <b>REVENUES</b>  |                         |                  |                   |  |                             |                                      |                   |
| Local sources  |                         |                  |                   |  |                             |                                      |                   |
| Teacher certificate fees                                     | \$ -0-                  | \$ -0-           | \$ 90,534         | \$ -0-   | \$ -0-                      | \$ -0-                               | \$ 90,534         |
| GED application fees   | -0-                     | -0-              | -0-               | 23,905   | -0-                         | -0-                                  | 23,905            |
| School bus permit and class fees                             | -0-                     | -0-              | -0-               | -0-  | -0-                         | 7,628                                | 7,628             |
| Fingerprinting fees  | -0-                     | -0-              | -0-               | -0-  | 90,326                      | -0-                                  | 90,326            |
| Interest income  | 15                      | -0-              | 275               | 41   | 68                          | 9                                    | 408               |
| Other  | -0-                     | -0-              | 75                | -0-  | -0-                         | -0-                                  | 75                |
| Total local sources  | <u>15</u>               | <u>-0-</u>       | <u>90,884</u>     | <u>23,946</u>                                  | <u>90,394</u>               | <u>7,637</u>                         | <u>212,876</u>    |
| State sources  | 190,216                 | 615,195          | -0-               | -0-  | -0-                         | 1,707                                | 807,118           |
| Federal sources  | -0-                     | -0-              | -0-               | -0-  | -0-                         | -0-                                  | -0-               |
| Federal sources - ARRA funds                                 | -0-                     | 28,121           | -0-               | -0-  | -0-                         | -0-                                  | 28,121            |
| On-behalf payments   | 270,820                 | -0-              | -0-               | -0-  | -0-                         | -0-                                  | 270,820           |
| Total revenues   | <u>461,051</u>          | <u>643,316</u>   | <u>90,884</u>     | <u>23,946</u>                                  | <u>90,394</u>               | <u>9,344</u>                         | <u>1,318,935</u>  |
| <b>EXPENDITURES</b>  |                         |                  |                   |  |                             |                                      |                   |
| Purchased services   | 638                     | 27,830           | 14,731            | 19,974   | 79,560                      | 6,735                                | 149,468           |
| Supplies and materials                                       | 977                     | -0-              | 39                | 6,108  | -0-                         | -                                    | 7,124             |
| Payments to other governments                                | 190,216                 | 615,486          | -0-               | -0-  | -0-                         | -0-                                  | 805,702           |
| On-behalf payments   | 270,820                 | -0-              | -0-               | -0-  | -0-                         | -0-                                  | 270,820           |
| Total expenditures   | <u>462,651</u>          | <u>643,316</u>   | <u>14,770</u>     | <u>26,082</u>                                  | <u>79,560</u>               | <u>6,735</u>                         | <u>1,233,114</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES | (1,600)                 | -0-              | 76,114            | (2,136)  | 10,834                      | 2,609                                | 85,821            |
| FUND BALANCE,<br>BEGINNING OF YEAR                           | <u>16,099</u>           | <u>-0-</u>       | <u>253,723</u>    | <u>38,919</u>                                  | <u>42,554</u>               | <u>9,040</u>                         | <u>360,335</u>    |
| FUND BALANCE,<br>END OF YEAR                                 | <u>\$ 14,499</u>        | <u>\$ -0-</u>    | <u>\$ 329,837</u> | <u>\$ 36,783</u>                               | <u>\$ 53,388</u>            | <u>\$ 11,649</u>                     | <u>\$ 446,156</u> |

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

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
Year Ended June 30, 2012

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|  |           |                      |
|--|-----------|----------------------|
| <b>Net change in fund balances - governmental funds</b>  | \$        | 85,821               |
| Amounts reported for governmental activities in the<br>Statement of Activities are different because:  |           |                      |
| Certain revenues in the funds that provide current financial resources<br>were reported as revenues in the prior year statement of activities            |           | (331,885)            |
| Certain expenses in the funds that were incurred as a result of current<br>resources were reported as expenses in the prior year statement of activities |           | <u>331,885</u>       |
| <b>Change in net assets of governmental activities</b>   | <b>\$</b> | <b><u>85,821</u></b> |

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

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**STATEMENT OF FIDUCIARY NET ASSETS -**  
**FIDUCIARY FUNDS**  
June 30, 2012

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|                            | <u>Agency<br/>Funds</u> |
|----------------------------|-------------------------|
| <b><u>ASSETS</u></b>       |                         |
| Cash and cash equivalents  | \$ 68,360               |
| Due from other governments | 58,524                  |
| Total assets               | <u>\$ 126,884</u>       |
| <b><u>LIABILITIES</u></b>  |                         |
| Due to other governments   | <u>\$ 126,884</u>       |

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

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

June 30, 2012

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

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

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

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

**A. Financial Reporting Entity**

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

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

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

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

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

June 30, 2012

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

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

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

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

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

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

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

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

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

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

June 30, 2012

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues received more than 60 days after the end of the current period are deferred in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental funds:

**Major Governmental Funds**

**General Fund** – The General Fund is the ROE’s primary operating fund. It is used to account for all financial resources except those required to be accounted for and reported in another fund. The General Fund is used to account for various expenditures as approved. The General Fund includes the following:

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

Regional Safe Schools Program - General State Aid (RSSP-GSA) – The RSSP-GSA consists of State funds received for the administration of the Regional Safe Schools Program (RSSP) for, and payment of, expenses of general operations.

**Major Special Revenue Funds** – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted expenditures for specified purposes. The ROE reports the following major special revenue funds:

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

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

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

June 30, 2012

---

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

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

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

ROE/ISC Operations – The ROE/ISC operations program consists of state funds received for the administration of the ROE/ISC Operations program.

ARRA Title I – School Improvement – Consists of federal funds received for the administration of the ARRA Title I – School Improvement program.

ARRA Education Jobs Fund – Consists of federal funds received for the administration of the ARRA Education Jobs Fund program.

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

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

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

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

**Non-Major Special Revenue Funds** – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The ROE reports the following nonmajor special revenue funds:

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

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

**Fiduciary Funds**

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

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

June 30, 2012

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

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

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

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

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

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

**D. Budgetary System and Accounts**

The ROE did not adopt a formal budget nor is it legally required to do so for the year ended June 30, 2012; subsequently, the accompanying financial statements are not presented on a budgetary basis whereby budget and actual revenues and expenditures are compared; however, Illinois State Board of Education, a granting agent, requires budgets for certain program money. Budgetary comparison schedules are presented for the Regional Safe Schools Program (RSSP), ROE/ISC Operations, Career & Technical Ed Improvement, ARRA Title I-School Improvement, ARRA Education Jobs Fund, and Agriculture Education for the year ended June 30, 2012.

**E. Deposits**

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

**F. Salaries and Expenses**

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

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

June 30, 2012

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

**G. Intergovernmental Agreement**

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

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

**NOTE 2 – DEPOSITS**

**A. Deposits**

At June 30, 2012, the carrying amount of the Regional Office of Education No. 44's cash deposits was \$536,448 and the bank balance was \$539,787. Of the total bank balance, \$250,000 was secured by federal depository insurance. The remaining balance was covered by collateral pledged by the bank and held in the ROE's name. The ROE does not have a policy regarding custodial credit risk for deposits.

**NOTE 3 – PENSIONS**

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

**NOTE 4 – CAPITAL ASSETS**

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

**NOTE 5 – DISTRIBUTIVE FUND INTEREST DISPOSITION**

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

**NOTE 6 – ON-BEHALF PAYMENTS**

Total on-behalf payments of \$270,820 are reported as revenues and expenditures of the general fund.

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

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

June 30, 2012

**NOTE 6 – ON-BEHALF PAYMENTS (Continued)**

|  |    |               |
|--|----|---------------|
| Regional Superintendent – salary             | \$ | 17,436        |
| Regional Superintendent – TRS                |    | 4,344         |
| Regional Superintendent – benefits           |    |               |
| (Includes State paid insurance)              |    | 4,824         |
| Assistant Regional Superintendent – salary   |    | N/A           |
| Assistant Regional Superintendent – TRS      |    | N/A           |
| Assistant Regional Superintendent – benefits |    |               |
| (Includes State paid insurance)              |    | N/A           |
| State of Illinois on-behalf payments         | \$ | <u>26,604</u> |

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

|   |    |                |
|---|----|----------------|
| Direct expenditures (includes salaries) | \$ | 167,942        |
| Benefits                                |    | <u>76,274</u>  |
| McHenry County on-behalf payments       |    | 244,216        |
| State of Illinois on-behalf payments    |    | <u>26,604</u>  |
| Total on-behalf payments                | \$ | <u>270,820</u> |

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

At June 30, 2012, the Regional Office of Education No. 44 had amounts due to/from other governments as follows:

|                                   |    |               |
|-----------------------------------|----|---------------|
| Due from Other Governments:       |    |               |
| Education                         |    |               |
| Regional Safe Schools             |    |               |
| Illinois State Board of Education | \$ | <u>58,524</u> |
|                                   |    |               |
| Agency Fund                       |    |               |
| Distributive Fund                 |    |               |
| Illinois State Board of Education | \$ | <u>58,524</u> |

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

June 30, 2012

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**NOTE 7 – DUE FROM/TO OTHER GOVERNMENTS (Continued)**

Due to Other Governments:

|   |            |
|---|------------|
| Education                                 |            |
| Other entities and local school districts | \$ 58,524  |
|   |            |
| Agency Fund                               |            |
| Distributive Fund                         |            |
| Other entities and local school districts | \$ 61,244  |
|   |            |
| Board of School Trustees                  |            |
| Other entities and local school districts | 144        |
| McHenry County Film Library               |            |
| Other entities and local school districts | 62,061     |
| Cooperative for Employment Education      |            |
| Other entities and local school districts | 3,435      |
|   | \$ 126,884 |

**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:

Nonspending 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.

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 fund is the only 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 General Operations.

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

June 30, 2012

**NOTE 8 – GOVERNMENTAL FUND BALANCES (Continued)**

Regional Office of Education No. 44's  
Fund Balances:

|                      | <b>General<br/>Fund</b> | <b>Education<br/>Institute</b> | <b>General<br/>Education<br/>Development</b> | <b>Finger-<br/>Printing</b> | <b>Other<br/>Non-<br/>major<br/>Funds</b> |                  |
|----------------------|-------------------------|--------------------------------|--|-----------------------------|---|------------------|
| Restricted for:      |                         |                                |  |                             |   |                  |
| Educational purposes | \$ -0-                  | \$ -0-                         | \$ 329,837                                   | \$ 36,783                   | \$ -0-                                    | \$ 11,649        |
| Assigned:            | -0-                     | -0-                            | -0-  | -0-                         | 53,388                                    | -0-              |
| Unassigned:          | 14,499                  | -0-                            | -0-  | -0-                         | -0-                                       | -0-              |
| Total fund balances  | <u>\$14,499</u>         | <u>\$ -0-</u>                  | <u>\$329,837</u>                             | <u>\$ 36,783</u>            | <u>\$53,388</u>                           | <u>\$ 11,649</u> |

**NOTE 9 – NEW PRONOUNCEMENTS**

In 2012, McHenry County Regional Office of Education No. 44 implemented Governmental Accounting Standards Board (GASB) Statements No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions- an amendment of GASB Statement No. 53*. The Regional Office of Education #44 implemented these standards during the current year; however, they had no impact on the financial statement. The implementation of GASB Statement No. 57 amends GASB Statement No. 45, permitting an agent employer with an OPEB with fewer than 100 plan members to use the alternative measurement method to produce actuarially based information for purposes of financial reporting.

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**GENERAL FUND**  
June 30, 2012

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|   | <b>General<br/>Operations</b> | <b>Regional<br/>Safe Schools<br/>Program -<br/>General State Aid<br/>(RSSP-GSA)</b> | <b>Total</b>     |
|---|-------------------------------|---|------------------|
| <b>ASSETS</b>                                 |                               |   |                  |
| Cash and cash equivalents                     | \$ 14,499                     | \$ -0-  | \$ 14,499        |
| Due from other governments                    | -0-                           | -0-   | -0-              |
| Total assets                                  | \$ 14,499                     | \$ -0-  | \$ 14,499        |
| <b>LIABILITIES</b>                            |                               |   |                  |
| Accounts payable                              | \$ -0-                        | \$ -0-  | \$ -0-           |
| Due to other governments                      | -0-                           | -0-   | -0-              |
| Total liabilities                             | -0-                           | -0-   | -0-              |
| <b>FUND BALANCE</b>                           |                               |   |                  |
| Fund balance: restricted                      | \$ -0-                        | \$ -0-  | \$ -0-           |
| unassigned                                    | 14,499                        | -0-   | 14,499           |
| Total fund balance                            | 14,499                        | -0-   | 14,499           |
| <b>TOTAL LIABILITIES<br/>AND FUND BALANCE</b> | <b>\$ 14,499</b>              | <b>\$ -0-</b>   | <b>\$ 14,499</b> |

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GENERAL FUND ACCOUNTS**  
Year Ended June 30, 2012

|  | <u>General<br/>Operations</u> | <u>Regional Safe<br/>Schools<br/>Program -<br/>General State Aid<br/>(RSSP - GSA)</u> | <u>Total</u>     |
|--|-------------------------------|---|------------------|
| <b>REVENUES</b>  |                               |   |                  |
| Local sources  |                               |   |                  |
| Interest income  | \$ 15                         | \$ -0-  | \$ 15            |
| Other  | -0-                           | -0-   | -0-              |
| State sources  | -0-                           | 190,216   | 190,216          |
| Federal sources  | -0-                           | -0-   | -0-              |
| Federal sources - ARRA Funds   | -0-                           | -0-   | -0-              |
| On-behalf payments   | 270,820                       | -0-   | 270,820          |
| Total revenues   | <u>270,835</u>                | <u>190,216</u>  | <u>461,051</u>   |
| <b>EXPENDITURES</b>  |                               |   |                  |
| Purchased services   | 638                           | -0-   | 638              |
| Supplies and materials   | 977                           | -0-   | 977              |
| Payments to other governments  | -0-                           | 190,216   | 190,216          |
| On-behalf payments   | 270,820                       | -0-   | 270,820          |
| Total expenditures   | <u>272,435</u>                | <u>190,216</u>  | <u>462,651</u>   |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | (1,600)                       | -0-   | (1,600)          |
| <b>FUND BALANCE,<br/>BEGINNING OF YEAR</b>                           | <u>16,099</u>                 | <u>-0-</u>  | <u>16,099</u>    |
| <b>FUND BALANCE,<br/>END OF YEAR</b>                                 | <u>\$ 14,499</u>              | <u>\$ -0-</u>   | <u>\$ 14,499</u> |

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**EDUCATION FUND**  
 June 30, 2012

|   | Regional<br>Safe Schools<br>Program<br>(RSSP) | Career &<br>Technical<br>Ed Improvement | ROE/ISC<br>Operations | ARRA-Title I-<br>School<br>Improvement | ARRA-<br>Education<br>Jobs Fund | Agriculture<br>Education | Total            |
|---|---|---|-----------------------|--|---------------------------------|--------------------------|------------------|
| <b>ASSETS</b>                                 |   |   |                       |  |                                 |                          |                  |
| Cash and cash equivalents                     | \$ -0-  | \$ -0-                                  | \$ -0-                | \$ -0-                                 | \$ -0-                          | \$ -0-                   | \$ -0-           |
| Due from other governments                    | 58,524  | -0-                                     | -0-                   | -0-                                    | -0-                             | -0-                      | 58,524           |
| Total assets                                  | <u>\$ 58,524</u>                              | <u>\$ -0-</u>                           | <u>\$ -0-</u>         | <u>\$ -0-</u>                          | <u>\$ -0-</u>                   | <u>\$ -0-</u>            | <u>\$ 58,524</u> |
| <b>LIABILITIES</b>                            |   |   |                       |  |                                 |                          |                  |
| Accounts payable                              | \$ -0-  | \$ -0-                                  | \$ -0-                | \$ -0-                                 | \$ -0-                          | \$ -0-                   | \$ -0-           |
| Due to other governments                      | 58,524  | -0-                                     | -0-                   | -0-                                    | -0-                             | -0-                      | 58,524           |
| Total liabilities                             | <u>58,524</u>                                 | <u>-0-</u>                              | <u>-0-</u>            | <u>-0-</u>                             | <u>-0-</u>                      | <u>-0-</u>               | <u>58,524</u>    |
| <b>FUND BALANCE</b>                           |   |   |                       |  |                                 |                          |                  |
| Fund balance, restricted                      | <u>-0-</u>                                    | <u>-0-</u>                              | <u>-0-</u>            | <u>-0-</u>                             | <u>-0-</u>                      | <u>-0-</u>               | <u>-0-</u>       |
| <b>TOTAL LIABILITIES<br/>AND FUND BALANCE</b> | <u>\$ 58,524</u>                              | <u>\$ -0-</u>                           | <u>\$ -0-</u>         | <u>\$ -0-</u>                          | <u>\$ -0-</u>                   | <u>\$ -0-</u>            | <u>\$ 58,524</u> |

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2012

|  | <u>Regional Safe<br/>Schools<br/>Program<br/>(RSSP)</u> | <u>Career &amp;<br/>Technical Ed<br/>Improvement</u> | <u>ROE/ISC<br/>Operations</u> | <u>ARRA Title I-<br/>School<br/>Improvement</u> | <u>ARRA-<br/>Education<br/>Jobs Fund</u> | <u>Agriculture<br/>Education</u> | <u>Total</u>   |
|--|---|--|-------------------------------|---|--|----------------------------------|----------------|
| <b>REVENUES</b>  |   |  |                               |   |  |                                  |                |
| Local sources  |   |  |                               |   |  |                                  |                |
| Donations  | \$ -0-  | \$ -0-   | \$ -0-                        | \$ -0-  | \$ -0-                                   | \$ -0-                           | \$ -0-         |
| Interest income  | -0-   | -0-  | -0-                           | -0-   | -0-                                      | -0-                              | -0-            |
| State sources  | 369,814   | 191,481  | 50,052                        | -0-   | -0-                                      | 3,848                            | 615,195        |
| Federal sources  | -0-   | -0-  | -0-                           | -0-   | -0-                                      | -0-                              | -0-            |
| Federal sources - ARRA Funds   | -0-   | -0-  | -0-                           | 27,830  | 291                                      | -0-                              | 28,121         |
| Total revenues   | <u>369,814</u>  | <u>191,481</u>                                       | <u>50,052</u>                 | <u>27,830</u>                                   | <u>291</u>                               | <u>3,848</u>                     | <u>643,316</u> |
| <b>EXPENDITURES</b>  |   |  |                               |   |  |                                  |                |
| Purchased services   | -0-   | -0-  | -0-                           | 27,830  | -0-                                      | -0-                              | 27,830         |
| Supplies and materials   | -0-   | -0-  | -0-                           | -0-   | -0-                                      | -0-                              | -0-            |
| Payments to other governments  | 369,814   | 191,481  | 50,052                        | -0-   | 291                                      | 3,848                            | 615,486        |
| Total expenditures   | <u>369,814</u>  | <u>191,481</u>                                       | <u>50,052</u>                 | <u>27,830</u>                                   | <u>291</u>                               | <u>3,848</u>                     | <u>643,316</u> |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | -0-   | -0-  | -0-                           | -0-   | -0-                                      | -0-                              | -0-            |
| <b>FUND BALANCE,<br/>BEGINNING OF YEAR</b>                           | <u>-0-</u>  | <u>-0-</u>   | <u>-0-</u>                    | <u>-0-</u>                                      | <u>-0-</u>                               | <u>-0-</u>                       | <u>-0-</u>     |
| <b>FUND BALANCE,<br/>END OF YEAR</b>                                 | <u>\$ -0-</u>   | <u>\$ -0-</u>  | <u>\$ -0-</u>                 | <u>\$ -0-</u>                                   | <u>\$ -0-</u>                            | <u>\$ -0-</u>                    | <u>\$ -0-</u>  |

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2012

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| <b>2012 Regional Safe<br/>Schools Program (RSSP)</b>                 |               |               |   |
|--|---------------|---------------|---|
|  | <b>Budget</b> | <b>Actual</b> | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
| <b>REVENUES</b>  |               |               |   |
| Local sources  | \$ -0-        | \$ -0-        | \$ -0-  |
| State sources  | 233,258       | 233,258       | -0-   |
| Federal sources  | -0-           | -0-           | -0-   |
| Total revenues   | 233,258       | 233,258       | -0-   |
| <b>EXPENDITURES</b>  |               |               |   |
| Purchased services   | -0-           | -0-           | -0-   |
| Supplies and materials   | -0-           | -0-           | -0-   |
| Payments to other governments  | 233,258       | 233,258       | -0-   |
| Total expenditures   | 233,258       | 233,258       | -0-   |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>\$ -0-</b> | <b>-0-</b>    | <b>\$ -0-</b>                                   |
| <b>FUND BALANCE,<br/>BEGINNING OF YEAR</b>                           |               | -0-           |   |
| <b>FUND BALANCE,<br/>END OF YEAR</b>                                 |               | <b>\$ -0-</b> |   |

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2012

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| <b>2011 Regional Safe<br/>Schools Program (RSSP)</b>                     |               |               |   |
|--|---------------|---------------|---|
|  | <b>Budget</b> | <b>Actual</b> | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
| <b>REVENUES</b>  |               |               |   |
| Local sources  | \$ -0-        | \$ -0-        | \$ -0-  |
| State sources  | 234,100       | 136,556       | (97,544)  |
| Federal sources  | -0-           | -0-           | -0-   |
| Total revenues   | 234,100       | 136,556       | (97,544)  |
| <br><b>EXPENDITURES</b>  |               |               |   |
| Purchased services   | -0-           | -0-           | -0-   |
| Supplies and materials   | -0-           | -0-           | -0-   |
| Payments to other governments  | 234,100       | 136,556       | 97,544  |
| Total expenditures   | 234,100       | 136,556       | 97,544  |
| <br><b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>\$ -0-</b> | <b>-0-</b>    | <b>\$ -0-</b>                                   |
| <br><b>FUND BALANCE,<br/>BEGINNING OF YEAR</b>                           |               | -0-           |   |
| <br><b>FUND BALANCE,<br/>END OF YEAR</b>                                 |               | <b>\$ -0-</b> |   |

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2012

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|  | <b>2011 Career &amp; Technical<br/>Ed Improvement</b> |               |   |
|--|---|---------------|---|
|  | <b>Budget</b>   | <b>Actual</b> | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
| <b>REVENUES</b>  |   |               |   |
| Local sources  | \$ -0-  | \$ -0-        | \$ -0-  |
| State sources  | 502,481   | 191,481       | (311,000)                                       |
| Federal sources  | -0-   | -0-           | -0-   |
| Total revenues   | 502,481   | 191,481       | (311,000)                                       |
| <b>EXPENDITURES</b>  |   |               |   |
| Purchased services   | -0-   | -0-           | -0-   |
| Supplies and materials   | -0-   | -0-           | -0-   |
| Payments to other governments  | 502,481   | 191,481       | 311,000   |
| Total expenditures   | 502,481   | 191,481       | 311,000   |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>\$ -0-</b>   | <b>-0-</b>    | <b>\$ -0-</b>                                   |
| <b>FUND BALANCE,<br/>BEGINNING OF YEAR</b>                           |   | -0-           |   |
| <b>FUND BALANCE,<br/>END OF YEAR</b>                                 |   | <b>\$ -0-</b> |   |

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2012

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|  | 2012 ROE/ISC Operations |        |  |
|--|-------------------------|--------|--|
|  | Budget                  | Actual | Variance<br>Favorable<br>(Unfavorable) |
| <b>REVENUES</b>  |                         |        |  |
| Local sources  | \$ -0-                  | \$ -0- | \$ -0-                                 |
| State sources  | 50,052                  | 50,052 | -0-                                    |
| Federal sources  | -0-                     | -0-    | -0-                                    |
| Total revenues   | 50,052                  | 50,052 | -0-                                    |
| <b>EXPENDITURES</b>  |                         |        |  |
| Purchased services   | -0-                     | -0-    | -0-                                    |
| Supplies and materials   | -0-                     | -0-    | -0-                                    |
| Payments to other governments  | 50,052                  | 50,052 | -0-                                    |
| Total expenditures   | 50,052                  | 50,052 | -0-                                    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | \$ -0-                  | -0-    | \$ -0-                                 |
| <b>FUND BALANCE,<br/>BEGINNING OF YEAR</b>                           |                         | -0-    |  |
| <b>FUND BALANCE,<br/>END OF YEAR</b>                                 |                         | \$ -0- |  |

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2012

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|  | <b>2011 ARRA Title I-<br/>School Improvement</b> |               |   |
|--|--|---------------|---|
|  | <u>Budget</u>                                    | <u>Actual</u> | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
| <b>REVENUES</b>  |  |               |   |
| Local sources  | \$ -0-   | \$ -0-        | \$ -0-  |
| State sources  | -0-  | -0-           | -0-   |
| Federal sources  | -0-  | -0-           | -0-   |
| Federal sources-ARRA Funds   | 200,000  | 27,830        | (172,170)                                       |
| Total revenues   | <u>200,000</u>                                   | <u>27,830</u> | <u>(172,170)</u>                                |
| <br><b>EXPENDITURES</b>  |  |               |   |
| Salaries   | 60,000   | -0-           | 60,000  |
| Benefits   | -0-  | -0-           | -0-   |
| Purchased services   | 110,125  | 27,830        | 82,295  |
| Supplies and materials   | 27,375   | -0-           | 27,375  |
| Capital Outlay   | 2,500  | -0-           | 2,500   |
| Payments to other governments  | -0-  | -0-           | -0-   |
| Total expenditures   | <u>200,000</u>                                   | <u>27,830</u> | <u>172,170</u>                                  |
| <br><b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <u>\$ -0-</u>                                    | -0-           | <u>\$ -0-</u>                                   |
| <br><b>FUND BALANCE,<br/>BEGINNING OF YEAR</b>                           |  | <u>-0-</u>    |   |
| <br><b>FUND BALANCE,<br/>END OF YEAR</b>                                 |  | <u>\$ -0-</u> |   |

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2012

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|  | 2012 ARRA Education<br>Jobs Fund |        |  |
|--|----------------------------------|--------|--|
|  | Budget                           | Actual | Variance<br>Favorable<br>(Unfavorable) |
| REVENUES   |                                  |        |  |
| Local sources  | \$ -0-                           | \$ -0- | \$ -0-                                 |
| State sources  | -0-                              | -0-    | -0-                                    |
| Federal sources  | -0-                              | -0-    | -0-                                    |
| Federal sources-ARRA Funds                                   | 291                              | 291    | -0-                                    |
| Total revenues   | 291                              | 291    | -0-                                    |
| EXPENDITURES   |                                  |        |  |
| Purchased services   | -0-                              | -0-    | -0-                                    |
| Supplies and materials                                       | -0-                              | -0-    | -0-                                    |
| Payments to other governments                                | 291                              | 291    | -0-                                    |
| Total expenditures   | 291                              | 291    | -0-                                    |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES | \$ -0-                           | -0-    | \$ -0-                                 |
| FUND BALANCE,<br>BEGINNING OF YEAR                           |                                  | -0-    |  |
| FUND BALANCE,<br>END OF YEAR                                 |                                  | \$ -0- |  |

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
Year Ended June 30, 2012

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|  | 2011 Agriculture<br>Education |        |  |
|--|-------------------------------|--------|--|
|  | Budget                        | Actual | Variance<br>Favorable<br>(Unfavorable) |
| <b>REVENUES</b>  |                               |        |  |
| Local sources  | \$ -0-                        | \$ -0- | \$ -0-                                 |
| State sources  | 3,848                         | 3,848  | -0-                                    |
| Federal sources  | -0-                           | -0-    | -0-                                    |
| Total revenues   | 3,848                         | 3,848  | -0-                                    |
| <b>EXPENDITURES</b>  |                               |        |  |
| Purchased services   | -0-                           | -0-    | -0-                                    |
| Supplies and materials   | -0-                           | -0-    | -0-                                    |
| Payments to other governments  | 3,848                         | 3,848  | -0-                                    |
| Total expenditures   | 3,848                         | 3,848  | -0-                                    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | \$ -0-                        | -0-    | \$ -0-                                 |
| <b>FUND BALANCE,<br/>BEGINNING OF YEAR</b>                           |                               | -0-    |  |
| <b>FUND BALANCE,<br/>END OF YEAR</b>                                 |                               | \$ -0- |  |

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 June 30, 2012

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|                                | <b>Transportation</b> | <b>Supervisory<br/>Expense</b> | <b>Total</b> |
|--------------------------------|-----------------------|--------------------------------|--------------|
| <b><u>ASSETS</u></b>           |                       |                                |              |
| Cash and cash equivalents      | \$ 11,646             | \$ 3                           | \$ 11,649    |
| <br><b><u>FUND BALANCE</u></b> |                       |                                |              |
| Fund balance, restricted       | \$ 11,646             | \$ 3                           | \$ 11,649    |

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
Year Ended June 30, 2012

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|  | <b>Transportation</b> | <b>Supervisory<br/>Expense</b> | <b>Total</b> |
|--|-----------------------|--------------------------------|--------------|
| <b>REVENUES</b>  |                       |                                |              |
| Local sources  |                       |                                |              |
| School bus permit and<br>class fees                                  | \$ 7,628              | \$ -0-                         | \$ 7,628     |
| Interest Income  | 9                     | -0-                            | 9            |
| State sources  | 1,707                 | -0-                            | 1,707        |
| Total revenues   | 9,344                 | -0-                            | 9,344        |
| <b>EXPENDITURES</b>  |                       |                                |              |
| Purchased services   | 6,735                 | -0-                            | 6,735        |
| Supplies and materials   | -0-                   | -0-                            | -0-          |
| Payments to other<br>governments                                     | -0-                   | -0-                            | -0-          |
| Total expenditures   | 6,735                 | -0-                            | 6,735        |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | 2,609                 | -0-                            | 2,609        |
| <b>FUND BALANCE,<br/>BEGINNING OF YEAR</b>                           | 9,037                 | 3                              | 9,040        |
| <b>FUND BALANCE,<br/>END OF YEAR</b>                                 | \$ 11,646             | \$ 3                           | \$ 11,649    |

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**AGENCY FUNDS**  
 June 30, 2012

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|                            | <u>Distributive<br/>Fund</u> | <u>Board of<br/>School<br/>Trustees</u> | <u>McHenry<br/>County<br/>Film<br/>Library</u> | <u>Cooperative<br/>for<br/>Employment<br/>Education</u> | <u>Total</u>      |
|----------------------------|------------------------------|---|--|---|-------------------|
| <b>ASSETS</b>              |                              |   |  |   |                   |
| Cash and cash equivalents  | \$ 2,720                     | \$ 144                                  | \$ 62,061                                      | \$ 3,435  | \$ 68,360         |
| Due from other governments | 58,524                       | -0-                                     | -0-  | -0-   | 58,524            |
| Total assets               | <u>\$ 61,244</u>             | <u>\$ 144</u>                           | <u>\$ 62,061</u>                               | <u>\$ 3,435</u>   | <u>\$ 126,884</u> |
| <b>LIABILITIES</b>         |                              |   |  |   |                   |
| Due to other governments   | <u>\$ 61,244</u>             | <u>\$ 144</u>                           | <u>\$ 62,061</u>                               | <u>\$ 3,435</u>   | <u>\$ 126,884</u> |

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**COMBINING STATEMENT OF CHANGES IN**  
**ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
Year Ended June 30, 2012

|  | <u>Balance<br/>6/30/2011</u> | <u>Additions</u>    | <u>Deductions</u>   | <u>Balance<br/>6/30/2012</u> |
|--|------------------------------|---------------------|---------------------|------------------------------|
| <b><u>DISTRIBUTIVE</u></b>                         |                              |                     |                     |                              |
| <b>Assets</b>                                      |                              |                     |                     |                              |
| Cash and cash equivalents                          | \$ 2,705                     | \$ 842,865          | \$ 842,850          | \$ 2,720                     |
| Due from other governments                         | 331,885                      | 58,524              | 331,885             | 58,524                       |
| Total assets                                       | <u>\$ 334,590</u>            | <u>\$ 901,389</u>   | <u>\$ 1,174,735</u> | <u>\$ 61,244</u>             |
| <b>Liabilities</b>                                 |                              |                     |                     |                              |
| Due to other governments                           | <u>\$ 334,590</u>            | <u>\$ 901,389</u>   | <u>\$ 1,174,735</u> | <u>\$ 61,244</u>             |
| <b><u>BOARD OF SCHOOL TRUSTEES</u></b>             |                              |                     |                     |                              |
| <b>Assets</b>                                      |                              |                     |                     |                              |
| Cash   | \$ 144                       | \$ -0-              | \$ -0-              | \$ 144                       |
| <b>Liabilities</b>                                 |                              |                     |                     |                              |
| Due to other governments                           | <u>\$ 144</u>                | <u>\$ -0-</u>       | <u>\$ -0-</u>       | <u>\$ 144</u>                |
| <b><u>McHENRY COUNTY FILM LIBRARY</u></b>          |                              |                     |                     |                              |
| <b>Assets</b>                                      |                              |                     |                     |                              |
| Cash   | \$ 61,999                    | \$ 62               | \$ -0-              | \$ 62,061                    |
| <b>Liabilities</b>                                 |                              |                     |                     |                              |
| Due to other governments                           | <u>\$ 61,999</u>             | <u>\$ 62</u>        | <u>\$ -0-</u>       | <u>\$ 62,061</u>             |
| <b><u>COOPERATIVE FOR EMPLOYMENT EDUCATION</u></b> |                              |                     |                     |                              |
| <b>Assets</b>                                      |                              |                     |                     |                              |
| Cash   | \$ 51,483                    | \$ 196,377          | \$ 244,425          | \$ 3,435                     |
| <b>Liabilities</b>                                 |                              |                     |                     |                              |
| Due to other governments                           | <u>\$ 51,483</u>             | <u>\$ 196,377</u>   | <u>\$ 244,425</u>   | <u>\$ 3,435</u>              |
| <b><u>TOTALS ALL AGENCY FUNDS</u></b>              |                              |                     |                     |                              |
| <b>Assets</b>                                      |                              |                     |                     |                              |
| Cash and cash equivalents                          | \$ 116,331                   | \$ 1,039,304        | \$ 1,087,275        | \$ 68,360                    |
| Due from other governments                         | 331,885                      | 58,524              | 331,885             | 58,524                       |
| Total assets                                       | <u>\$ 448,216</u>            | <u>\$ 1,097,828</u> | <u>\$ 1,419,160</u> | <u>\$ 126,884</u>            |
| <b>Liabilities</b>                                 |                              |                     |                     |                              |
| Due to other governments                           | <u>\$ 448,216</u>            | <u>\$ 1,097,828</u> | <u>\$ 1,419,160</u> | <u>\$ 126,884</u>            |

**McHENRY COUNTY REGIONAL OFFICE OF EDUCATION NO. 44**  
**SCHEDULE OF DISBURSEMENTS TO SCHOOL**  
**DISTRICT TREASURERS AND OTHER ENTITIES**  
**DISTRIBUTIVE FUNDS**  
Year Ended June 30, 2012

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| <u>Program</u>  | <u>McHenry<br/>County<br/>Co-op</u> | <u>Special<br/>Education<br/>District of<br/>McHenry<br/>(SEDOM)</u> | <u>Regional<br/>Office of<br/>Education<br/>No. 44</u> | <u>Kishwaukee<br/>Intermediate<br/>Delivery<br/>System</u> | <u>Totals</u>     |
|---|-------------------------------------|--|--|--|-------------------|
| RSSP - General State Aid                                | \$ -0-                              | \$ 190,216   | \$ -0-   | \$ -0-   | \$ 190,216        |
| Career & Technical Ed Improvement                       | 191,481                             | -0-  | -0-  | -0-  | 191,481           |
| CTE - Perkins   | -0-                                 | -0-  | -0-  | -0-  | -0-               |
| Regional Safe Schools                                   | -0-                                 | 311,290  | -0-  | -0-  | 311,290           |
| ARRA - Title I - School Improvement<br>& Accountability | -0-                                 | -0-  | 93,131   | -0-  | 93,131            |
| ARRA - Education Jobs Fund                              | -0-                                 | 1,125  | -0-  | -0-  | 1,125             |
| Agriculture Education                                   | 3,848                               | -0-  | -0-  | -0-  | 3,848             |
| Supervisory Expense                                     | -0-                                 | -0-  | -0-  | -0-  | -0-               |
| Transportation  | -0-                                 | -0-  | 1,707  | -0-  | 1,707             |
| ROE/ISC Operations                                      | -0-                                 | -0-  | -0-  | 50,052   | 50,052            |
| <b>Totals</b>   | <b>\$ 195,329</b>                   | <b>\$ 502,631</b>  | <b>\$ 94,838</b>                                       | <b>\$ 50,052</b>   | <b>\$ 842,850</b> |