

VERMILION COUNTY REGIONAL  
OFFICE OF EDUCATION #54

FINANCIAL STATEMENTS  
WITH ACCOMPANYING INFORMATION

FOR THE YEAR ENDED JUNE 30, 2001  
AND  
INDEPENDENT AUDITORS' REPORT



TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report.....	1
Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	2
 <b>GENERAL PURPOSE FINANCIAL STATEMENTS</b>	
Combined Statements:	
Combined Balance Sheet - All Fund Types and Account Group .....	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Funds and Expendable Trust Fund .....	4
Combined Statement of Changes in Assets and Liabilities - Agency Fund .....	5
Notes to Financial Statements.....	6 - 12
 <b>SUPPLEMENTAL INFORMATION</b>	
Combining Statements:	
Combining Balance Sheet - Special Revenue Funds .....	13
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds .....	14
Combining Balance Sheet - Fiduciary Funds .....	15
Statement of General Fixed Assets .....	16
Schedule of General Fixed Assets .....	17
Schedule of Changes in General Fixed Assets .....	18
Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund .....	19
Schedule of Findings and Questioned Costs.....	20 - 23
Summary Schedule of Prior Audit Findings .....	24

# WEST & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS  
&  
CONSULTANTS

## MEMBERS

E. LYNN FREESE  
RICHARD C. WEST  
KENNETH L. VOGT  
DOUGLAS R. STROUD  
BRIAN E. DANIELL  
JANICE K. ROMACK

613 BROADWAY AVENUE  
P.O. BOX 945  
MATTOON, ILLINOIS 61938

(217) 235-4747

## OFFICES

EFFINGHAM  
SULLIVAN  
GREENVILLE  
MATTOON

## INDEPENDENT AUDITORS' REPORT

Illinois State Board of Education  
100 N. First Street  
Springfield, Illinois 62777

We have audited the accompanying general purpose financial statements of the Vermilion County Regional Office of Education #54, as of and for the year ended June 30, 2001. These general purpose financial statements are the responsibility of the Region's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Vermilion County Regional Office of Education #54 as of June 30, 2001, and the results of its operations 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 August 8, 2001, on our consideration of the Regional Office of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and account group financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Vermilion County Regional Office of Education #54. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*West & Company, LLC*

Members of SEC and Private Companies Practice Sections

August 8, 2001

# WEST & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS  
&  
CONSULTANTS

## MEMBERS

E. LYNN FREESE  
RICHARD C. WEST  
KENNETH L. VOGT  
DOUGLAS R. STROUD  
BRIAN E. DANIELL  
JANICE K. ROMACK

613 BROADWAY AVENUE  
P.O. BOX 945  
MATTOON, ILLINOIS 61938

(217) 235-4747

## OFFICES

EFFINGHAM  
SULLIVAN  
GREENVILLE  
MATTOON

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

Illinois State Board of Education  
100 N. First Street  
Springfield, Illinois 62777

We have audited the general purpose financial statements of the Vermilion County Regional Office of Education #54, as of and for the year ended June 30, 2001, and have issued our report thereon dated August 8, 2001. 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.

#### Compliance

As part of obtaining reasonable assurance about whether the Regional Office of Education's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Regional Office of Education's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management and the Illinois State Board of Education and is not intended to be and should not be used by anyone other than the specified parties. However, if this report is a matter of public record, distribution should not be limited.

*West & Company, LLC*

August 8, 2001

Members of SEC and Private Companies Practice Sections

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUP  
June 30, 2001

	Governmental Fund Type Special Revenue	Fiduciary Fund Type Expendable Trust and Agency	Account Group General Fixed Assets	Total (Memorandum Only)
<b>ASSETS</b>				
Cash	\$ 214,149	\$ 8,964	\$ --	\$ 223,113
Investments	7,000	1,216	--	8,216
Due from government agency	--	9,108	--	9,108
Due from other fund	1,216	--	--	1,216
Interest receivable	318	--	--	318
Buildings	--	--	30,000	30,000
Equipment	--	--	62,757	62,757
<b>Total assets</b>	<b><u>\$ 222,683</u></b>	<b><u>\$ 19,288</u></b>	<b><u>\$ 92,757</u></b>	<b><u>\$ 334,728</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 800	\$ 870	\$ --	\$ 1,670
Deferred revenue	41,017	--	--	41,017
Due to other fund	--	1,216	--	1,216
Due to schools and other organizations	--	9,108	--	9,108
<b>Total liabilities</b>	<b><u>41,817</u></b>	<b><u>11,194</u></b>	<b><u>--</u></b>	<b><u>53,011</u></b>
<b>FUND BALANCES AND OTHER CREDITS</b>				
Investment in general fixed assets	--	--	92,757	92,757
Fund balances:				
Unreserved	164,928	--	--	164,928
Reserved	15,938	8,094	--	24,032
<b>Total fund balances and other credits</b>	<b><u>180,866</u></b>	<b><u>8,094</u></b>	<b><u>92,757</u></b>	<b><u>281,717</u></b>
<b>Total liabilities, fund balances and other credits</b>	<b><u>\$ 222,683</u></b>	<b><u>\$ 19,288</u></b>	<b><u>\$ 92,757</u></b>	<b><u>\$ 334,728</u></b>

See notes to financial statements.

See the accompanying independent auditors' report.

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUNDS  
AND EXPENDABLE TRUST FUND  
For the year ended June 30, 2001

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Total (Memorandum Only)</u>
	<u>Special Revenue</u>	<u>Expendable Trust</u>	
Revenues:			
Local sources	\$ 33,280	\$ 30,575	\$ 63,855
State sources	<u>4,365</u>	<u>--</u>	<u>4,365</u>
Total revenues	<u>37,645</u>	<u>30,575</u>	<u>68,220</u>
Expenditures:			
Salaries	--	17,500	17,500
Professional and technical services	26,003	--	26,003
Transportation services	743	--	743
Printing and binding	1,961	--	1,961
General supplies	14,482	9,905	24,387
Periodicals	1,450	--	1,450
Equipment other than transportation	--	770	770
Dues and fees	2,506	--	2,506
Miscellaneous	704	--	704
Payments to other governmental entities	<u>16,275</u>	<u>--</u>	<u>16,275</u>
Total expenditures	<u>64,124</u>	<u>28,175</u>	<u>92,299</u>
Excess of revenues over (under) expenditures	<u>(26,479)</u>	<u>2,400</u>	<u>(24,079)</u>
Other financing sources (uses):			
Operating transfers in	36,331	--	36,331
Operating transfers out	<u>(815)</u>	<u>--</u>	<u>(815)</u>
Total other financing sources (uses)	<u>35,516</u>	<u>--</u>	<u>35,516</u>
Excess of revenues and other financing sources over expenditures and other financing uses	9,037	2,400	11,437
Fund balance, July 1, 2000	<u>171,829</u>	<u>5,694</u>	<u>177,523</u>
Fund balance, June 30, 2001	<u>\$180,866</u>	<u>\$ 8,094</u>	<u>\$188,960</u>

See notes to financial statements.

See the accompanying independent auditors' report.

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

COMBINED STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND

For the year ended June 30, 2001

	Balance July 1, 2000	Additions	Deductions	Balance June 30, 2001
<b>ASSETS</b>				
Cash	\$ --	\$ 59,756,543	\$ 59,756,543	\$ --
Investments	1,624	59,745,308	59,745,716	1,216
Due from government agency	<u>115,071</u>	<u>59,627,205</u>	<u>59,733,168</u>	<u>9,108</u>
Total assets	<u>\$116,695</u>	<u>\$ 179,129,056</u>	<u>\$ 179,235,427</u>	<u>\$ 10,324</u>
<b>LIABILITIES</b>				
Due to other fund	\$ 1,624	\$ 35,516	\$ 35,924	\$ 1,216
Due to schools and other organizations	<u>115,071</u>	<u>59,627,205</u>	<u>59,733,168</u>	<u>9,108</u>
Total liabilities	<u>\$116,695</u>	<u>\$ 59,662,721</u>	<u>\$ 59,769,092</u>	<u>\$ 10,324</u>

See notes to financial statements.

See the accompanying independent auditors' report.



NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

The Vermilion County Regional Office of Education's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental units of this type.

A. Reporting Entity:

Regional Office of Education #54 was created by Illinois Public Act 76-735, as amended, effective August 11, 1969. The region encompasses Vermilion County.

The regional superintendent of schools is the chief administrative officer of the region and is elected to the position for a four year term. The regional superintendent is responsible for the supervision and control of the school districts.

The superintendent's responsibilities for administering the school educational service region programs include, but are not limited to, providing directions to teachers and school officials on science, art and teaching methods; implementing the State Board of Education's Policy Programs; encouraging camaraderie among teachers through the teachers' institute; making public notice of unfilled teaching positions within the region; and insuring of the safety, health and welfare of the students in the region by periodically inspecting the school buildings and insuring that the bus drivers have valid driving licenses and are properly trained to operate the school buses. Further, the superintendent receives an allocation of school funds from the State Board of Education and apportions these funds to the school districts in accordance with the State Board of Education's formula.

The Regional Office of Education derives its oversight power and authority over the school districts from the School Code of Illinois and is responsible for its own fiscal and budgetary matters. The Region exercises no oversight responsibility on financial interdependency, selection of governing authority, designation of management or the ability to significantly influence the operations of any other outside agencies. Control or dependency is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing order. Therefore, no other agency has been included as a component unit in the Region's financial statements. In addition, the Region is not aware of any entity that would exercise oversight as to result in the Region being considered a component unit of the entity.

B. Basis of Presentation - Fund Accounting:

The accounts of the Region are organized on the basis of funds, each of which is considered a separate accounting entity. The Region has created several types of funds and a number of discrete funds within each fund type. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. The individual funds account for the government resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations or other restrictions. The following fund types are used by the Region:

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued):

B. Basis of Presentation - Fund Accounting (continued):

Governmental Funds:

General Fund - The Region maintains no General Fund because the expenses of maintaining its office are paid by Vermilion County.

Special Revenue Funds - The Region uses Special Revenue Funds to account for the proceeds of specific revenue sources, other than those accounted for in the Fiduciary Funds, that are legally restricted to expenditures for specific purposes. The Region operated the following eight special revenue funds described below:

Institute Fund - This fund is used to account for fees from examination, registration and certificate renewals. These funds are used to help pay certain administrative expenses incurred to conduct workshops and for general meetings with teachers and other school personnel.

Direct Services Fund - Interest from the Distributive Fund is transferred to this fund to be used for various programs that benefit the school districts or the regional office. Examples are grant match, computer consortium and technology hub.

Goals 2000 Fund - This fund is used to account for the Goals 2000 federal grant monies. The program concentrates on assisting school districts within the region in the development of sustained productive and rigorous learning environments.

G.E.D. Fund - This fund is used to account for proceeds earned from individuals who pay fees to participate in the high school equivalency program and the costs incurred in administering the program.

Bus Driver Training Fund - This fund is used to account for the fee charged for annual training courses. The funds can be used for supplies and training pertaining to this program.

Supervisory Fund - This fund is used to account for the travel and other expenditures necessary to perform the duty of supervising the school districts in the region.

Board of School Trustees Fund - This fund is used to account for the expenses of the Regional Board of School Trustees.

Regional Safe Schools Fund - This fund is used to account for the Regional Safe Schools state grant monies. The program concentrates on the education of students who have been expelled from the school districts served by the Regional Office of Education.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued):

B. Basis of Presentation - Fund Accounting (continued):

Fiduciary Funds:

Agency Funds - Agency Funds are used to account for assets held by the Region in a trustee capacity or as an agent for other governments. The Agency Fund is the Distributive Fund. It accounts for assets held by the Region as an agent for the school districts within its region. This fund is custodial in nature and does not involve the measurement of the results of operations. The financial statements reflect modified accrual basis accounting in which the amounts due to school districts are equal to the assets.

Expendable Trust Fund - This fund is used to account for the resources held by the Region as trustee for Vermilion County's Drug and Alcohol Abuse Prevention Program (DAAPP).

Governmental Funds - Measurement Focus:

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

General Fixed Assets Account Group:

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes. All fixed assets are valued at historical cost and no depreciation is provided for these assets. Donated general fixed assets are stated at estimated market value as of the date of acquisition. Fixed assets purchased by Vermilion County for the Regional Office of Education are included in the County's financial statements. For the year ended June 30, 2001, capital expenditures were \$0.

C. Basis of Accounting:

The modified accrual basis of accounting is followed by the Governmental and Fiduciary Funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued):

C. Basis of Accounting (continued):

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

Expenditures are generally recognized when the liability is incurred.

D. Budgets:

The Region has not adopted a formal budgetary system of accounting.

E. Cash and Investments:

State regulations require that Regional Office of Education #54 deposit funds under its control into accounts insured by the federal government, secured by substantial collateral, or into pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

Statutes authorize the Region to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

F. Retention of Interest Income:

The regional superintendent has retained interest income earned on distributive funds passed through his office. The regional superintendent has spent this interest income for materials, supplies, and program expenses. Per an agreement dated March 14, 1988, all district superintendents within the Vermilion County region, with approval of their school boards, consented to allow retention of interest earned on such funds by the regional superintendent for uses that are in the best interest of the regional school districts. This agreement was retroactive to the inception of the investment program.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued):

G. Total Memorandum Only:

The "Total Memorandum Only" column represents the total of the line item amounts reported for each fund type. No consolidating or other eliminations were made in arriving at the totals; thus they do not present consolidated information. These totals are presented only to facilitate financial analysis and are not intended to reflect the financial position or results of operations of the Region as a whole.

2. Deposits:

The Region is allowed to invest in securities as authorized by the 30 ILCS 235/2 and 235/6.

At June 30, 2001, the carrying amount of the Region's deposits was \$230,113 and the bank balance was \$285,360. The Region's deposits include a \$7,000 certificate of deposit. The deposits are categorized in accordance with risk factors created by governmental reporting standards.

Category 1	\$ 124,302
Category 2	161,058
Category 3	<u>          --</u>
	<u>\$ 285,360</u>

Category 1 consists of deposits insured or collateralized with securities held by the Region or the Region's agent in the Region's name.

Category 2 consists of deposits collateralized with securities held by the pledging financial institution's trust department or agent in the Region's name.

Category 3 consists of deposits that are uninsured and uncollateralized.

Deposits are reflected on the combined balance sheet under the following captions:

Cash	\$ 223,113
Investments	<u>      7,000</u>
	<u>\$ 230,113</u>

Deposits having a carrying amount and a bank balance of \$1,216 at June 30, 2001 are invested in the Illinois Funds Money Market Fund. Such deposits are invested in direct obligations of the United States Government and are stated at cost which approximates market.

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

NOTES TO FINANCIAL STATEMENTS

3. Pension and Retirement Commitments:

These financial statements relate information pertaining to the funds administered by the regional superintendent. All personnel of the Region's office receive their salaries from other sources. The superintendent and the assistant superintendent receive their salaries directly from the Illinois State Board of Education. The other personnel are employees of Vermilion County. There are no pension disclosures to present. Pension disclosures for the superintendent and assistant superintendent are included in the financial statements of the Illinois State Board of Education. Pension disclosures for other employees are included in the Vermilion County annual financial report.

4. Bond:

The 105 ILCS 5-13 directs the county board to execute a bond of not less than \$100,000 on the regional superintendent. The county board has secured and maintained such a bond with coverage of \$100,000 on the regional superintendent.

5. Interfund Receivables and Payables:

At June 30, 2001, Interfund receivables and payables were as follows:

<u>Due To</u>	<u>Due From</u>	<u>Balance at June 30, 2001</u>
Direct Services	Distributive Fund	<u>\$ 1,216</u>

6. Schedule of Transfers:

Transfers between funds during the year were as follows:

<u>Transfers In</u>		<u>Transfers Out</u>	
Direct Services	\$ 35,516	Distributive Fund	\$35,516
Direct Services	<u>815</u>	Regional Safe Schools	<u>815</u>
	<u>\$36,331</u>		<u>\$36,331</u>

NOTES TO FINANCIAL STATEMENTS

7. Risk Management - Claims and Judgments:

The Region is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation; and natural disasters. The Region is covered by commercial insurance provided by Vermilion County to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years.

8. Deferred Revenue:

At June 30, 2001, deferred revenue was as follows:

Institute Fund	\$ 32,917
Direct Services Fund	<u>8,100</u>
	<u>\$ 41,017</u>

Deferred revenue in the Institute Fund consists of teachers certificate fees collected for years beginning after June 30, 2001.

Deferred revenue in the Direct Services Fund consists of grant monies received but not expended as of June 30, 2001.

9. Reserved Fund Balances:

The reservation of fund balance in the Direct Services Fund shows an amount restricted for the Regional Office of Education's Schoolwork program and Technology Hub Partnering Grant.

The reservation of fund balance in the Drug and Alcohol Abuse Prevention Program (DAAPP) Fund shows an amount restricted for the specific uses of the DAAPP.

SUPPLEMENTAL INFORMATION



VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS

June 30, 2001

	Institute Fund	Direct Services Fund	Goals 2000 Fund	G.E.D. Fund	Bus Driver Training Fund	Supervisory Fund	Board of School Trustees Fund	Regional Safe Schools Fund	Total
<b>ASSETS</b>									
Cash	\$ 42,972	\$ 150,675	\$ 483	\$ 9,556	\$ 3,338	\$ 4,609	\$ 2,516	\$ --	\$ 214,149
Investments	--	--	--	--	--	--	7,000	--	7,000
Due from other fund	--	1,216	--	--	--	--	--	--	1,216
Interest receivable	--	--	--	--	--	--	318	--	318
Total assets	<u>\$ 42,972</u>	<u>\$ 151,891</u>	<u>\$ 483</u>	<u>\$ 9,556</u>	<u>\$ 3,338</u>	<u>\$ 4,609</u>	<u>\$ 9,834</u>	<u>\$ --</u>	<u>\$ 222,683</u>
<b>LIABILITIES</b>									
Accounts payable	\$ --	\$ 800	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 800
Deferred revenue	<u>32,917</u>	<u>8,100</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>41,017</u>
Total liabilities	<u>32,917</u>	<u>8,900</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>41,817</u>
<b>FUND BALANCES</b>									
Fund balances, unreserved	10,055	127,053	483	9,556	3,338	4,609	9,834	--	164,928
Fund balances, reserved	--	<u>15,938</u>	--	--	--	--	--	--	<u>15,938</u>
Total fund balances	<u>10,055</u>	<u>142,991</u>	<u>483</u>	<u>9,556</u>	<u>3,338</u>	<u>4,609</u>	<u>9,834</u>	<u>--</u>	<u>180,866</u>
Total liabilities and fund balances	<u>\$ 42,972</u>	<u>\$ 151,891</u>	<u>\$ 483</u>	<u>\$ 9,556</u>	<u>\$ 3,338</u>	<u>\$ 4,609</u>	<u>\$ 9,834</u>	<u>\$ --</u>	<u>\$ 222,683</u>

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
SPECIAL REVENUE FUNDS  
For the year ended June 30, 2001

	Institute Fund	Direct Services Fund	Goals 2000 Fund	G.E.D. Fund	Bus Driver Training Fund	Supervisory Fund	Board of School Trustees Fund	Regional Safe Schools Fund	Total
Revenues:									
Local sources	\$ 10,831	\$ 7,530	\$ --	\$ 13,767	\$ 620	\$ 143	\$ 382	\$ 7	\$ 33,280
State sources	--	2,405	--	--	960	1,000	--	--	4,365
Total revenues	10,831	9,935	--	13,767	1,580	1,143	382	7	37,645
Expenditures:									
Professional and technical services	15,910	3,938	--	4,155	2,000	--	--	--	26,003
Transportation services	47	--	--	107	--	589	--	--	743
Printing and binding	738	1,223	--	--	--	--	--	--	1,961
General supplies	1,242	8,292	--	4,822	126	--	--	--	14,482
Periodicals	--	1,450	--	--	--	--	--	--	1,450
Dues and fees	2,326	--	--	--	--	180	--	--	2,506
Miscellaneous	587	--	--	--	--	--	117	--	704
Payments to other governmental entities	--	16,275	--	--	--	--	--	--	16,275
Total expenditures	20,850	31,178	--	9,084	2,126	769	117	--	64,124
Excess of revenues over (under) expenditures	(10,019)	(21,243)	--	4,683	(546)	374	265	7	(26,479)
Other financing sources (uses):									
Operating transfers in	--	36,331	--	--	--	--	--	--	36,331
Operating transfers out	--	--	--	--	--	--	--	(815)	(815)
Total other financing sources (uses)	--	36,331	--	--	--	--	--	(815)	35,516
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(10,019)	15,088	--	4,683	(546)	374	265	(808)	9,037
Fund balance, July 1, 2000	20,074	127,903	483	4,873	3,884	4,235	9,569	808	171,829
Fund balance, June 30, 2001	\$ 10,055	\$ 142,991	\$ 483	\$ 9,556	\$ 3,338	\$ 4,609	\$ 9,834	\$ --	\$ 180,866

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

COMBINING BALANCE SHEET  
FIDUCIARY FUNDS

June 30, 2001

	Agency Fund <u>Distributive</u>	Expendable Trust Fund <u>DAAPP</u>	<u>Total</u>
ASSETS			
Cash	\$ --	\$ 8,964	\$ 8,964
Investment	1,216	--	1,216
Due from government agency	<u>9,108</u>	<u>--</u>	<u>9,108</u>
Total assets	<u>\$ 10,324</u>	<u>\$ 8,964</u>	<u>\$ 19,288</u>
LIABILITIES			
Accounts payable	\$ --	\$ 870	\$ 870
Due to other fund	1,216	--	1,216
Due to schools and other organizations	<u>9,108</u>	<u>--</u>	<u>9,108</u>
Total liabilities	<u>10,324</u>	<u>870</u>	<u>11,194</u>
FUND BALANCE			
Fund balance - reserved	<u>--</u>	<u>8,094</u>	<u>8,094</u>
Total liabilities and fund balance	<u>\$ 10,324</u>	<u>\$ 8,964</u>	<u>\$ 19,288</u>

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

STATEMENT OF GENERAL FIXED ASSETS

June 30, 2001

General fixed assets:	
Buildings	\$ 30,000
Equipment	<u>62,757</u>
Total general fixed assets	<u>\$ 92,757</u>
Investment in general fixed assets from:	
Special revenue funds	\$ 72,057
Donations	<u>20,700</u>
Total investments in general fixed assets	<u>\$ 92,757</u>

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SCHEDULE OF GENERAL FIXED ASSETS

(by function)

June 30, 2001

	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Function:			
Instruction			
Regional Safe Schools	\$ --	\$35,916	\$35,916
Support services			
General administration	--	26,841	26,841
Facilities acquisition and construction	<u>30,000</u>	<u>--</u>	<u>30,000</u>
	<u>30,000</u>	<u>26,841</u>	<u>56,841</u>
Total general fixed assets allocated to function	<u>\$30,000</u>	<u>\$62,757</u>	<u>\$92,757</u>

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS  
 (by function)  
 June 30, 2001

	General Fixed Assets <u>July 1, 2000</u>	<u>Additions</u>	<u>Deductions</u>	General Fixed Assets <u>June 30, 2001</u>
Function:				
Instruction:				
Regional Safe Schools	\$35,916	\$ --	\$ --	\$35,916
Support services:				
General administration	26,841	--	--	26,841
Facilities acquisition and construction	<u>30,000</u>	<u>--</u>	<u>--</u>	<u>30,000</u>
	<u>56,841</u>	<u>--</u>	<u>--</u>	<u>56,841</u>
 Total general fixed assets allocated to function	 <u>\$92,757</u>	 <u>\$ --</u>	 <u>\$ --</u>	 <u>\$92,757</u>

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES  
 Distributive Fund  
 For the year ended June 30, 2001

	Community Unit School District #1 Bismark Illinois	Community Unit School District #2 Westville Illinois	Community Unit School District #4 Georgetown Ridge Farm Illinois	Community Unit School District #5 Catlin Illinois	Community Unit School District #7 Rossville Illinois	Community Unit School District #10 Potomac Illinois	Community Unit School District # 11 Hoopeson Illinois	Community Unit School District #12 Jamaica Illinois	Community Unit School District #61 Armstrong Eliis Illinois	Community Unit School District #76 Oakwood Illinois	Community Unit School District #118 Danville Illinois	Community Unit School District #225 Armstrong Illinois	Private Schools & other	Vermilion Voc. Ed. Delivery System	Vermilion Association of Special Ed.	Vermilion County ROE #54	Total
Bus driver training	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 960	\$ 960
General state aid	1,886,202	4,123,764	4,332,511	1,568,944	883,547	754,571	3,621,529	1,082,876	160,766	2,915,074	16,546,575	28,883	27,125	--	--	--	37,932,367
Special education -private facilities	--	--	6,220	--	--	--	--	--	--	--	21,397	--	--	--	--	--	27,617
-extraordinary	13,918	32,666	15,612	8,260	--	14,000	114,654	12,530	--	17,964	782,516	2,000	--	--	--	--	1,014,120
-personnel	47,740	191,385	233,013	60,805	23,568	23,250	182,614	58,541	8,728	83,930	1,026,189	864	--	253,769	--	--	2,194,396
-orphan	14,503	8,992	--	17,064	5,966	7,252	17,054	2,462	--	352	150,922	6,008	--	--	--	--	230,575
-summer	--	633	2,622	288	--	760	--	179	--	1,047	23,464	--	--	--	--	--	28,993
Vocational education	--	--	--	--	--	--	--	--	--	--	85,586	--	--	160,053	--	--	245,639
Gifted education	8,298	11,437	13,918	5,998	3,963	1,931	14,619	4,666	1,634	11,268	58,237	1,972	--	--	--	--	137,941
Free lunch and breakfast	2,154	8,957	7,931	1,030	2,605	1,390	9,458	2,421	686	3,966	100,603	258	2,511	--	45	--	144,015
Transportation -regular	115,933	218,133	230,011	58,778	129,231	27,317	147,789	124,866	71,752	301,313	593,838	78,816	--	--	--	--	2,097,777
-vocational	10,548	20,076	13,884	13,954	17,663	--	12,645	12,067	1,092	8,074	17,860	25,807	--	--	--	--	153,670
-special education	79,110	58,373	48,930	26,193	6,423	50,496	47,786	33,288	8,075	80,338	160,612	25,807	--	--	--	--	625,431
Bus control device	--	--	--	37	--	--	--	--	--	--	--	--	--	--	--	--	37
School improvement-change	2,500	3,000	10,500	1,500	1,500	750	3,000	1,500	750	2,500	11,500	750	--	--	--	--	39,750
State aid harmless	--	--	--	--	56,622	--	152,425	--	15,889	--	--	31,434	--	--	--	--	256,370
Truant alternative/optional ed	--	--	--	--	--	--	--	--	--	--	239,385	--	136,894	--	--	--	376,279
Preschool at-risk	--	--	--	--	--	--	--	--	--	--	1,406,547	--	--	--	--	--	1,406,547
Reading improvement	28,068	53,466	60,795	18,353	16,641	11,300	58,941	17,700	9,141	40,090	323,804	--	--	--	--	--	638,299
Criminal background investigations	68	249	541	140	316	45	331	48	23	105	1,620	--	--	--	--	--	3,486
Supervisory fund	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1,000	1,000
ADA safety/ed block grant	48,368	72,167	74,890	33,554	25,616	16,560	82,463	29,775	8,341	65,126	331,211	6,183	--	--	--	--	794,254
Federal school lunch and breakfast program/commodities	47,811	157,496	146,331	26,742	52,489	28,385	163,120	43,593	15,974	76,269	1,264,196	9,051	61,334	--	575	--	2,093,366
Federal special milk	--	--	--	--	--	376	1,639	--	112	--	--	--	--	--	--	--	2,127
Summer food service program	--	--	--	--	--	--	--	--	--	--	--	--	16,555	--	--	--	16,555
Title I - low income	64,265	185,095	315,742	29,789	7,000	24,178	255,900	37,056	28,708	89,549	1,843,914	14,531	--	--	--	--	2,895,727
Title I - school reform	--	--	--	--	--	--	--	--	--	--	60,202	--	--	--	--	--	60,202
Title I - migratory program	--	--	--	--	--	--	109,321	--	--	--	--	--	--	--	--	--	109,321
Drug free schools & communities	3,222	5,840	4,897	1,949	1,947	872	6,338	2,922	571	4,496	28,067	473	--	--	--	--	61,594
Special Ed - flow through	--	--	--	--	--	--	--	--	--	--	101,970	--	--	--	113,281	--	215,251
Special Ed - discretionary	--	--	--	--	--	--	--	--	--	--	--	--	--	--	4,539	--	4,539
Special Ed - I.D.E.A.	--	--	--	--	--	--	--	--	--	--	771,521	--	--	--	919,927	--	1,691,448
Title II - secondary	--	--	--	--	--	--	--	--	--	--	--	--	--	179,513	--	--	179,513
edicaid match	83,589	138,497	225,967	138,283	45,256	27,106	174,041	73,007	8,602	42,572	506,911	14,070	--	245,299	--	1,723,200	
Title II - math/science	--	6,752	8,853	--	1,985	--	7,333	--	--	3,008	49,623	--	--	--	--	--	77,554
Technology - literacy challenge	--	--	425,000	--	--	--	--	--	--	--	--	--	--	--	--	--	425,000
Certificate renewal	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	--	1,000	3,000	17,000
National board cert. initiative	--	--	--	--	--	--	3,500	--	--	--	--	--	--	--	--	--	3,500
Infrastructure	50,000	50,000	50,000	50,000	50,000	46,000	50,000	50,000	50,000	50,000	100,000	50,000	--	--	--	--	646,000
Class size reduction	26,952	31,860	50,292	--	--	--	37,173	--	4,248	19,849	291,116	1,976	--	--	--	--	463,466
Driver's education	12,822	19,368	26,221	12,651	4,365	--	29,216	9,456	--	20,991	49,192	--	--	--	--	--	184,282
School improvement - block grant	11,241	17,781	19,007	8,788	7,358	2,657	21,460	7,358	2,453	15,533	88,088	3,679	--	--	--	--	205,403
Title VI - formula	3,640	11,557	9,751	2,686	2,545	1,284	9,042	2,639	993	5,884	47,481	600	--	--	--	--	98,102
Il partnership academy	--	18,932	9,120	--	--	--	--	--	--	--	47,864	--	--	--	--	--	75,916
Goals 2000	--	--	--	21,750	10,469	--	--	--	--	--	21,834	--	--	--	--	--	54,053
Jobs for IL graduates	--	--	--	--	--	--	--	--	--	--	56,196	--	--	--	--	--	56,196
St. urban education p-ship	--	--	--	--	--	--	--	--	--	--	24,330	--	--	--	--	--	24,330
	<u>\$ 2,561,952</u>	<u>\$ 5,447,476</u>	<u>\$ 6,343,559</u>	<u>\$ 2,108,536</u>	<u>\$ 1,358,075</u>	<u>\$ 1,041,480</u>	<u>\$ 5,334,391</u>	<u>\$ 1,609,950</u>	<u>\$ 399,538</u>	<u>\$ 3,860,298</u>	<u>\$ 27,235,371</u>	<u>\$304,162</u>	<u>\$ 245,419</u>	<u>\$ 339,566</u>	<u>\$ 1,538,435</u>	<u>\$ 4,960</u>	<u>\$59,733,168</u>

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
for the year ended June 30, 2001

**Section I -- Summary of Auditors' Results**

**Financial statements**

Type of auditors' report issued: UNQUALIFIED

Internal control over financial reporting:

- material weakness(es) identified?        yes   X   no
- Reportable condition(s) identified that are not considered to be material weakness(es)?        yes   X   none reported
- Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

- Internal control over major programs: N/A
- material weakness(es) identified? N/A        yes        no
  - Reportable condition(s) identified that are not considered to be material material weakness(es)? N/A        yes        none reported

Type of auditors' report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? N/A        yes        no



VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
for the year ended June 30, 2001

---

Identification of major programs:

CFDA Number(s)

Name of federal program or cluster

This section is not applicable.

Dollar threshold used to distinguish between Type A and Type B programs:

Auditee qualified as a low-risk auditee?      \_\_\_\_\_ yes      \_\_\_\_\_ no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
for the year ended June 30, 2001

---

Section II -- Financial Statement Findings

FINDING NO. \_\_\_\_\_

---

1. Criteria/Specific Requirement:

No financial statement findings were noted for the year ended June 30, 2001.

---

2. Condition:

---

3. Questioned Cost:

---

4. Context:

---

5. Effect:

---

6. Cause:

---

7. Recommendation:

---

8. Management's Response:

---

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
for the year ended June 30, 2001

---

Section III -- Federal Award Findings

FINDING NO. \_\_\_\_

---

No federal findings were noted for the year ended June 30, 2001.

Federal Program Name and Year:

Project No.:

CFDA No.:

Passed Through:

Federal Agency:

---

1. Criteria/Specific Requirement:

---

2. Condition:

---

3. Questioned Cost:

---

4. Context:

---

5. Effect:

---

6. Cause:

---

7. Recommendation:

---

8. Management's Response:

---

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2001

<u>Finding number</u>	<u>Condition</u>	<u>Current Status</u>
-----------------------	------------------	-----------------------

There were no findings for the year ended June 30, 2000.