

STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #54

FINANCIAL STATEMENTS  
WITH ACCOMPANYING INFORMATION

FOR THE YEAR ENDED JUNE 30, 2002

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

# REPORT DIGEST

REGIONAL OFFICE OF  
EDUCATION # 54

VERMILION COUNTY

FINANCIAL AUDIT

For the Year Ended:  
June 30, 2002

## Summary of Findings:

Total this audit	0
Total last audit	0
Repeated from last audit	0

Release Date:

January 23, 2003



State of Illinois  
Office of the Auditor General  
**WILLIAM G. HOLLAND**  
AUDITOR GENERAL

To obtain a copy of the Report contact:  
Office of the Auditor General  
Attn: Records Manager  
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740 E. Ash Street  
Springfield, IL 62703  
(217) 782-6046 or TDD (217) 524-4646

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<http://www.state.il.us/auditor>

## INTRODUCTION

Our report covers the financial audit for the period  
ending June 30, 2002.

## AUDITORS' OPINION

Our auditors state the Regional Office of Education  
#54's financial statements as of June 30, 2002 are fairly  
presented in all material respects.

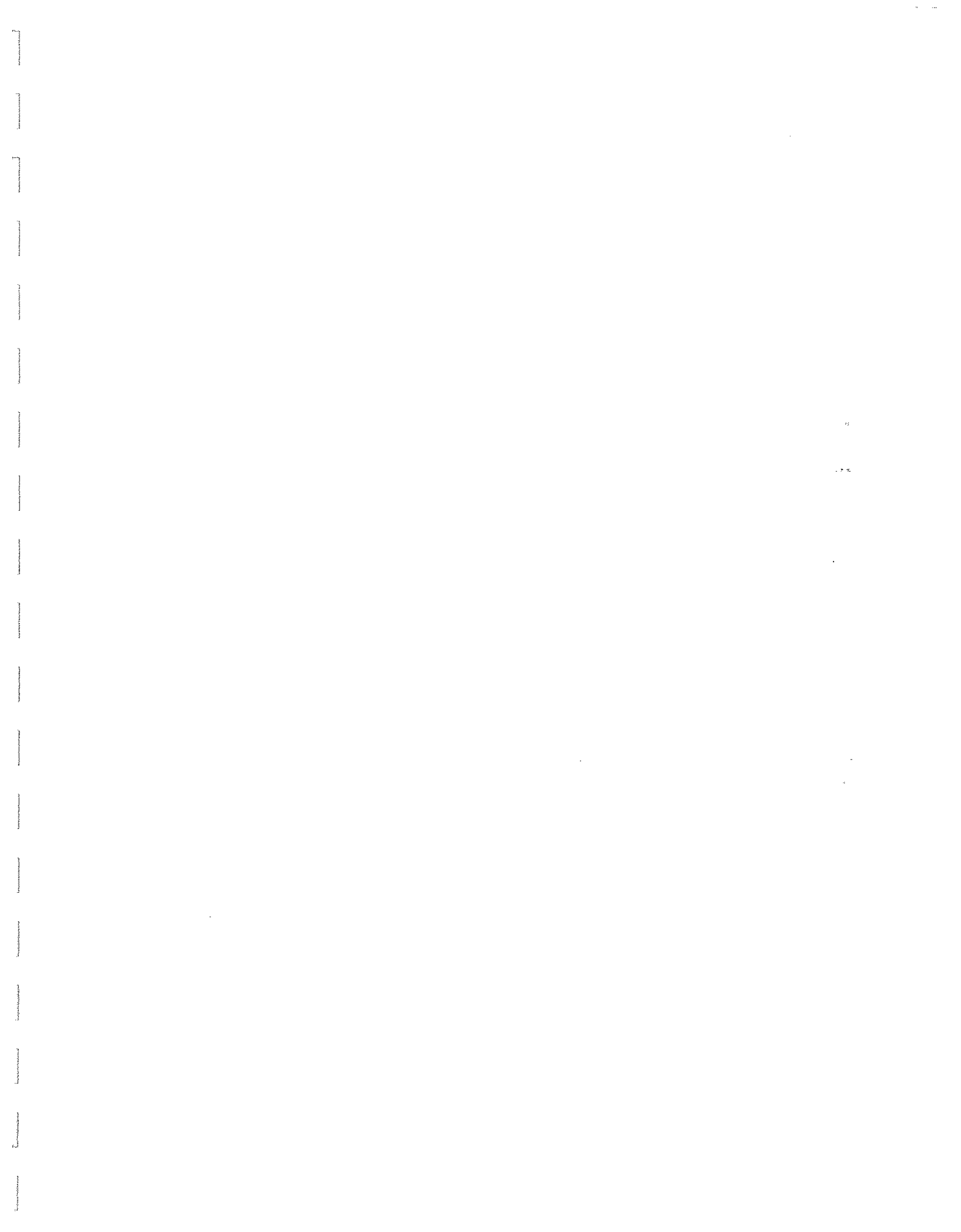
WILLIAM G. HOLLAND, Auditor General

WGH:KJM:vh

## SPECIAL ASSISTANT AUDITORS

Our special assistant auditors were West & Company,  
LLC.

{Expenditures and Activity Measures are summarized on the reverse page.}



## TABLE OF CONTENTS

	<u>Page(s)</u>
Officials.....	1
Financial Report Summary .....	2 - 3
Independent Auditors' Report.....	4 - 5
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> .....	6 - 7
Schedule of Findings and Questioned Costs.....	8 - 11
Summary Schedule of Prior Audit Findings.....	12

### GENERAL PURPOSE FINANCIAL STATEMENTS

#### Combined Statements:

Combined Balance Sheet - All Fund Types and Account Group.....	13
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Funds and Expendable Trust Fund .....	14
Combined Statement of Changes in Assets and Liabilities - Agency Fund.....	15
Notes to Financial Statements.....	16 - 22

### SUPPLEMENTAL INFORMATION

#### Combining Statements:

Combining Balance Sheet - Special Revenue Funds .....	23
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds.....	24
Combining Balance Sheet - Fiduciary Funds.....	25
Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund.....	26
Statement of General Fixed Assets .....	27
Schedule of General Fixed Assets .....	28
Schedule of Changes in General Fixed Assets.....	29

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

OFFICIALS

Regional Superintendent

Mr. Jim Trask

Assistant Regional Superintendent

Mr. Michael Metzen

Offices are located at:

200 S. College, Suite B  
Danville, IL 61832

FINANCIAL REPORT

SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

FINDINGS (GOVERNMENT AUDITING STANDARDS)

There were no findings for the year ended June 30, 2002.

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

There were no findings and questioned costs for the year ended June 30, 2002.

FINDINGS (STATE COMPLIANCE)

There were no findings for the year ended June 30, 2002.

FINANCIAL REPORT

SUMMARY

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

There were no prior findings.

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

There were no prior findings.

PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

There were no prior findings.

EXIT CONFERENCE

An informal exit conference was held on August 7, 2002. Attending were Mr. Jim Trask, Regional Superintendent, Janice Hawkins, Bookkeeper, and James E. Moon, CPA.

# 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  
DIANA R. SMITH

613 BROADWAY AVENUE  
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## OFFICES

EFFINGHAM  
SULLIVAN  
GREENVILLE  
MATTOON

## INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, 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, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the Vermilion County Regional Office of Education #54'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, 2002, 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 9, 2002, on our consideration of the Vermilion County Regional Office of Education #54'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*  
August 7, 2002

# WEST & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS  
&  
CONSULTANTS

## MEMBERS

E. LYNN FREESE  
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### 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*

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, 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, 2002, as listed in the table of contents, and have issued our report thereon dated August 9, 2002. 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 Vermilion County Regional Office of Education #54'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 Vermilion County Regional Office of Education #54'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 solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, others within the organization, Illinois State Board of Education, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*West & Company, LLC*  
August 7, 2002

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2002

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

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**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, 2002

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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

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2002

**Part II: Findings Related to the General Purpose Financial Statements**

**Finding No.** \_\_\_\_\_ No financial statement findings were noted for the year ended June 30, 2002.

**Criteria/Specific Requirement:**

**Condition:**

**Questioned Cost:**

**Context:**

**Effect:**

**Cause:**

**Auditors' Recommendation:**

**Management's Response:**

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2002

**Part III: Findings and Questioned Costs for Federal Awards**

**Finding No.** \_\_\_\_\_ No federal findings were noted for the year ended June 30, 2002.

**Federal Program Name and Year:**

**Project No.:**

**CFDA No.:**

**Passed Through:**

**Federal Agency:**

**Criteria/Specific Requirement:**

**Condition:**

**Questioned Cost:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's Response:**

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2002

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

There were no findings for the year ended June 30, 2001.



VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUP  
June 30, 2002

	Governmental Fund Type Special Revenue	Fiduciary Fund Type Expendable Trust and Agency	Account Group General Fixed Assets	Total (Memorandum Only)
<b>ASSETS</b>				
Cash	\$ 221,387	\$ 8,931	\$ --	\$ 230,318
Investments	7,000	34,124	--	41,124
Due from government agency	--	1,717,292	--	1,717,292
Due from other fund	541	--	--	541
Interest receivable	197	--	--	197
Buildings	--	--	30,000	30,000
Equipment	--	--	62,757	62,757
Total assets	<u>\$ 229,125</u>	<u>\$ 1,760,347</u>	<u>\$ 92,757</u>	<u>\$ 2,082,229</u>
<b>LIABILITIES</b>				
Accounts payable	\$ --	\$ 427	\$ --	\$ 427
Deferred revenue	52,359	--	--	52,359
Due to other fund	--	541	--	541
Due to schools and other organizations	<u>5,500</u>	<u>1,750,875</u>	<u>--</u>	<u>1,756,375</u>
Total liabilities	<u>57,859</u>	<u>1,751,843</u>	<u>--</u>	<u>1,809,702</u>
<b>FUND BALANCES AND OTHER CREDITS</b>				
Investment in general fixed assets	--	--	92,757	92,757
Fund balances:				
Unreserved	156,648	--	--	156,648
Reserved	<u>14,618</u>	<u>8,504</u>	<u>--</u>	<u>23,122</u>
Total fund balances and other credits	<u>171,266</u>	<u>8,504</u>	<u>92,757</u>	<u>272,527</u>
Total liabilities, fund balances and other credits	<u>\$ 229,125</u>	<u>\$ 1,760,347</u>	<u>\$ 92,757</u>	<u>\$ 2,082,229</u>

See notes to financial statements.

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, 2002

	<u>Governmental Fund Type Special Revenue</u>	<u>Fiduciary Fund Type Expendable Trust</u>	<u>Total (Memorandum Only)</u>
Revenues:			
Local sources	\$ 31,488	\$ 31,822	\$ 63,310
State sources	5,561	--	5,561
On-behalf payments	<u>234,936</u>	<u>--</u>	<u>234,936</u>
Total revenues	<u>271,985</u>	<u>31,822</u>	<u>303,807</u>
Expenditures:			
Salaries	--	17,500	17,500
Professional and technical services	24,602	--	24,602
Transportation services	272	--	272
Printing and binding	2,311	--	2,311
General supplies	11,247	12,568	23,815
Periodicals	1,430	--	1,430
Equipment other than transportation	--	1,344	1,344
Dues and fees	2,882	--	2,882
Miscellaneous	1,075	--	1,075
Payments to other governmental entities	20,734	--	20,734
On-behalf payments	<u>234,936</u>	<u>--</u>	<u>234,936</u>
Total expenditures	<u>299,489</u>	<u>31,412</u>	<u>330,901</u>
Excess of revenues over (under) expenditures	<u>(27,504)</u>	<u>410</u>	<u>(27,094)</u>
Other financing sources (uses):			
Operating transfers in	18,387	--	18,387
Operating transfers out	<u>(483)</u>	<u>--</u>	<u>(483)</u>
Total other financing sources (uses)	<u>17,904</u>	<u>--</u>	<u>17,904</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(9,600)	410	(9,190)
Fund balance, July 1, 2001	<u>180,866</u>	<u>8,094</u>	<u>188,960</u>
Fund balance, June 30, 2002	<u>\$ 171,266</u>	<u>\$ 8,504</u>	<u>\$ 179,770</u>

See notes to financial statements.

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

COMBINED STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND

For the year ended June 30, 2002

	<u>Balance July 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2002</u>
<b>ASSETS</b>				
Cash	\$ --	\$ 60,667,785	\$ 60,667,785	\$ --
Investments	1,216	59,738,187	59,705,279	34,124
Due from government agency	<u>9,108</u>	<u>62,363,084</u>	<u>60,654,900</u>	<u>1,717,292</u>
Total assets	<u>\$ 10,324</u>	<u>\$ 182,769,056</u>	<u>\$ 181,027,964</u>	<u>\$ 1,751,416</u>
<b>LIABILITIES</b>				
Due to other fund	\$ 1,216	\$ 17,904	\$ 18,579	\$ 541
Due to schools and other organizations	<u>9,108</u>	<u>62,396,667</u>	<u>60,654,900</u>	<u>1,750,875</u>
Total liabilities	<u>\$ 10,324</u>	<u>\$ 62,414,571</u>	<u>\$ 60,673,479</u>	<u>\$ 1,751,416</u>

See notes to financial statements.

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

The Vermilion County Regional Office of Education #54's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental units of this type.

A. Reporting Entity:

The 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 #54 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 Regional Office of Education #54 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 Regional Office of Education #54's financial statements. In addition, the Regional Office of Education #54 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education #54 being considered a component unit of the entity.

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued):

B. Basis of Presentation - Fund Accounting:

The accounts of the Regional Office of Education #54 are organized on the basis of funds, each of which is considered a separate accounting entity. The Regional Office of Education #54 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 Regional Office of Education #54:

Governmental Funds:

General Fund - The Regional Office of Education #54 maintains no General Fund because the expenses of maintaining its office are paid by Vermilion County.

Special Revenue Funds - The Regional Office of Education #54 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 Regional Office of Education #54 operated the following seven 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.

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued):

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

Governmental Funds(continued):

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.

Fiduciary Funds:

Agency Funds - Agency Funds are used to account for assets held by the Regional Office of Education #54 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 Regional Office of Education #54 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 Regional Office of Education #54 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 #54 are included in the County's financial statements. For the year ended June 30, 2002, capital expenditures were \$0.

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued):

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.

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 Regional Office of Education #54 has not adopted a formal budgetary system of accounting.

E. Cash and Investments:

State regulations require that the 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 Regional Office of Education #54 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.

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

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 Regional Office of Education #54 as a whole.

2. Deposits:

The Regional Office of Education #54 is allowed to invest in securities as authorized by the 30 ILCS 235/2 and 235/6.

At June 30, 2002, the carrying amount of the Regional Office of Education #54's deposits was \$237,318 and the bank balance was \$897,993. The Regional Office of Education #54'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	\$ 128,204
Category 2	769,789
Category 3	<u>          --</u>
	<u>\$ 897,993</u>

Category 1 consists of deposits insured or collateralized with securities held by the Regional Office of Education #54 or the Regional Office of Education #54's agent in the Regional Office of Education #54's name.

Category 2 consists of deposits collateralized with securities held by the pledging financial institution's trust department or agent in the Regional Office of Education #54'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	\$ 230,318
Investments	<u>      7,000</u>
	<u>\$ 237,318</u>

Deposits having a carrying amount and a bank balance of \$34,124 at June 30, 2002 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 Regional Office of Education #54'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, 2002, Interfund receivables and payables were as follows:

<u>Due To</u>	<u>Due From</u>	<u>Balance at June 30, 2002</u>
Direct Services	Distributive Fund	<u>\$ 541</u>

6. Schedule of Transfers:

Transfers between funds during the year were as follows:

<u>Transfers In</u>		<u>Transfers Out</u>	
Direct Services	\$ 17,904	Distributive Fund	\$ 17,904
Direct Services	<u>483</u>	Goals 2000 Fund	<u>483</u>
	<u>\$ 18,387</u>		<u>\$ 18,387</u>

7. Risk Management - Claims and Judgments:

The Regional Office of Education #54 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 Regional Office of Education #54 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.

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

NOTES TO FINANCIAL STATEMENTS

8. Deferred Revenue:

At June 30, 2002, deferred revenue was as follows:

Institute Fund	\$ 49,980
Direct Services Fund	<u>2,379</u>
	<u>\$ 52,359</u>

Deferred revenue in the Institute Fund consists of teachers certificate fees collected for years beginning after June 30, 2002.

Deferred revenue in the Direct Services Fund consists of grant monies received but not expended as of June 30, 2002.

9. Reserved Fund Balances:

The reservation of fund balance in the Direct Services Fund shows an amount restricted for the Regional Office of Education #54's Schoolwork program.

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.

10. On-Behalf Payments

The Regional Office of Education #54 has received on-behalf payments for employee salaries and benefits from the following governmental entities:

Vermilion County:	
Office staff	<u>\$ 68,875</u>
State of Illinois:	
Regional Superintendent – salary	82,429
Regional Superintendent – benefits (excludes state paid insurance)	4,980
Assistant Regional Superintendent – salary	74,186
Assistant Regional Superintendent – benefits (excludes state paid insurance)	<u>4,466</u>
	<u>166,061</u>
	<u>\$ 234,936</u>

The on-behalf payments are reflected as revenues and expenditures of the Direct Services Fund.

SUPPLEMENTAL INFORMATION

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
June 30, 2002

	Institute Fund	Direct Services Fund	Goals 2000 Fund	G.E.D. Fund	Bus Driver Training Fund	Supervisory Fund	Board of School Trustees Fund	Total
<b>ASSETS</b>								
Cash	\$ 50,641	\$ 146,582	\$ --	\$ 12,905	\$ 3,224	\$ 5,129	\$ 2,906	\$ 221,387
Investments	--	--	--	--	--	--	7,000	7,000
Due from other fund	--	541	--	--	--	--	--	541
Interest receivable	--	--	--	--	--	--	197	197
Total assets	<u>\$ 50,641</u>	<u>\$ 147,123</u>	<u>\$ --</u>	<u>\$ 12,905</u>	<u>\$ 3,224</u>	<u>\$ 5,129</u>	<u>\$ 10,103</u>	<u>\$ 229,125</u>
<b>LIABILITIES</b>								
Deferred revenue	\$ 49,980	\$ 2,379	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 52,359
Due to schools and other organizations	--	5,500	--	--	--	--	--	5,500
Total liabilities	<u>49,980</u>	<u>7,879</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>57,859</u>
<b>FUND BALANCES</b>								
Fund balances, unreserved	661	124,626	--	12,905	3,224	5,129	10,103	156,648
Fund balances, reserved	--	14,618	--	--	--	--	--	14,618
Total fund balances	<u>661</u>	<u>139,244</u>	<u>--</u>	<u>12,905</u>	<u>3,224</u>	<u>5,129</u>	<u>10,103</u>	<u>171,266</u>
Total liabilities and fund balances	<u>\$ 50,641</u>	<u>\$ 147,123</u>	<u>\$ --</u>	<u>\$ 12,905</u>	<u>\$ 3,224</u>	<u>\$ 5,129</u>	<u>\$ 10,103</u>	<u>\$ 229,125</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, 2002

	Institute Fund	Direct Services Fund	Goals 2000 Fund	G.E.D. Fund	Bus Driver Training Fund	Supervisory Fund	Board of School Trustees Fund	Total
<b>Revenues:</b>								
Local sources	\$ 10,466	\$ 6,962	\$ --	\$ 12,666	\$ 1,020	\$ 105	\$ 269	\$ 31,488
State sources	--	3,721	--	--	840	1,000	--	5,561
On-behalf payments	--	234,936	--	--	--	--	--	234,936
<b>Total revenues</b>	<b>10,466</b>	<b>245,619</b>	<b>--</b>	<b>12,666</b>	<b>1,860</b>	<b>1,105</b>	<b>269</b>	<b>271,985</b>
<b>Expenditures:</b>								
Professional and technical services	13,200	3,520	--	5,908	1,974	--	--	24,602
Transportation services	14	--	--	133	--	125	--	272
Printing and binding	817	1,494	--	--	--	--	--	2,311
General supplies	2,332	5,639	--	3,276	--	--	--	11,247
Periodicals	--	1,430	--	--	--	--	--	1,430
Dues and fees	2,422	--	--	--	--	460	--	2,882
Miscellaneous	1,075	--	--	--	--	--	--	1,075
Payments to other governmental entities	--	20,734	--	--	--	--	--	20,734
On-behalf payments	--	234,936	--	--	--	--	--	234,936
<b>Total expenditures</b>	<b>19,860</b>	<b>267,753</b>	<b>--</b>	<b>9,317</b>	<b>1,974</b>	<b>585</b>	<b>--</b>	<b>299,489</b>
Excess of revenues over (under) expenditures	(9,394)	(22,134)	--	3,349	(114)	520	269	(27,504)
<b>Other financing sources (uses):</b>								
Operating transfers in	--	18,387	--	--	--	--	--	18,387
Operating transfers out	--	--	(483)	--	--	--	--	(483)
<b>Total other financing sources (uses)</b>	<b>--</b>	<b>18,387</b>	<b>(483)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>17,904</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(9,394)	(3,747)	(483)	3,349	(114)	520	269	(9,600)
Fund balance, July 1, 2001	10,055	142,991	483	9,556	3,338	4,609	9,834	180,866
Fund balance, June 30, 2002	\$ 661	\$ 139,244	\$ --	\$ 12,905	\$ 3,224	\$ 5,129	\$ 10,103	\$ 171,266

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

COMBINING BALANCE SHEET  
 FIDUCIARY FUNDS  
 June 30, 2002

	<u>Agency Fund Distributive</u>	<u>Expendable Trust Fund DAAPP</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ --	\$ 8,931	\$ 8,931
Investment	34,124	--	34,124
Due from government agency	<u>1,717,292</u>	<u>--</u>	<u>1,717,292</u>
Total assets	<u>\$ 1,751,416</u>	<u>\$ 8,931</u>	<u>\$ 1,760,347</u>
<b>LIABILITIES</b>			
Accounts payable	\$ --	\$ 427	\$ 427
Due to other fund	541	--	541
Due to schools and other organizations	<u>1,750,875</u>	<u>--</u>	<u>1,750,875</u>
Total liabilities	<u>1,751,416</u>	<u>427</u>	<u>1,751,843</u>
<b>FUND BALANCE</b>			
Fund balance - reserved	<u>--</u>	<u>8,504</u>	<u>8,504</u>
Total liabilities and fund balance	<u>\$ 1,751,416</u>	<u>\$ 8,931</u>	<u>\$ 1,760,347</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, 2002

	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 Hoopeston Illinois	Community Unit School District #12 Jamaica Illinois	Community Unit School District #61 Armstrong Ellis 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	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 840	\$ 840
General state aid	2,019,740	4,510,886	4,623,419	1,553,155	959,994	785,651	3,928,703	1,067,549	200,460	2,883,557	17,220,122	41,477	26,448	--	--	--	39,821,161
Special education -private facilities	--	592	4,591	--	5,944	--	--	--	--	--	15,107	--	--	--	--	--	26,234
-extraordinary	17,745	67,147	19,831	14,150	3,280	10,500	106,858	10,466	2,991	13,225	470,524	1,500	--	--	--	--	738,217
-personnel	43,822	134,181	191,542	55,854	38,232	19,848	152,977	43,702	7,200	71,352	820,100	6,000	--	179,925	--	--	1,764,735
-orphan	55,987	17,448	7,864	13,928	--	--	20,316	--	--	--	27,898	--	--	--	--	--	143,441
-summer	556	669	2,260	78	472	946	--	142	--	1,615	16,997	55	--	--	--	--	23,790
Vocational education	--	--	--	--	--	--	--	--	--	--	78,920	--	--	139,064	--	--	217,984
Gifted education	8,651	13,273	14,009	6,192	4,959	2,171	15,290	4,244	1,607	11,899	58,319	1,942	--	--	--	--	142,556
Free lunch and breakfast	2,021	8,401	7,507	866	2,203	1,161	10,526	2,063	679	3,907	108,413	354	2,036	--	--	--	150,137
Transportation -regular	76,616	164,222	167,537	25,780	86,008	18,967	123,822	98,081	35,133	210,342	733,046	17,330	--	--	--	--	1,756,884
-vocational	7,965	15,859	5,530	7,418	12,559	--	13,518	11,293	337	5,623	20,395	14,985	8,375	--	--	--	123,857
-special education	69,274	33,672	61,910	5,560	22,193	32,335	49,814	33,710	6,463	46,307	213,439	7,466	--	--	--	--	582,143
School improvement-change	2,750	3,250	3,250	1,750	--	1,000	3,250	1,750	1,000	2,750	12,250	--	--	--	--	--	33,000
State aid harmless	--	--	--	--	29,382	--	--	--	--	--	--	20,959	--	--	--	--	50,341
Truant alternative/optional ed	--	--	--	--	--	--	--	--	--	--	35,000	--	--	--	--	--	35,000
Early Childhood	--	--	--	--	--	--	--	--	--	--	1,742,720	--	--	--	--	--	1,742,720
Reading improvement	27,650	52,308	60,348	18,125	16,067	11,034	57,361	17,996	8,633	41,340	314,102	--	--	--	--	--	624,964
Supervisory fund	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1,000	1,000
ADA safety/ed block grant	30,951	45,986	46,025	20,324	15,283	10,201	50,747	17,968	5,386	38,382	207,606	3,855	--	--	--	--	492,714
Federal school lunch and breakfast program/commodities	42,142	134,624	123,592	22,568	43,584	22,795	164,578	36,858	14,364	78,407	1,082,478	9,944	53,014	--	--	--	1,828,948
Federal special milk	--	--	--	--	--	214	1,322	--	--	--	--	--	--	--	--	--	1,536
Summer food service program	--	--	--	--	--	--	--	--	--	--	--	--	22,263	--	--	--	22,263
Title I - low income	50,484	252,213	341,370	25,286	58,772	34,104	247,485	40,314	32,633	113,878	2,345,538	15,710	--	--	--	--	3,557,787
Title I - migrant program	--	--	--	--	--	--	114,127	--	--	--	--	--	--	--	--	--	114,127
Title I - migrant incentive	--	--	--	--	--	--	4,500	--	--	--	--	--	--	--	--	--	4,500
Drug free schools & communities	3,424	4,543	6,059	2,299	1,757	796	5,761	2,014	464	4,067	29,620	426	--	--	--	--	61,230
Special Ed - flow through	--	--	--	--	--	--	--	--	--	--	103,653	--	--	--	--	--	234,945
Special Ed - I.D.E.A.	--	--	--	--	--	--	--	--	--	--	1,243,282	--	--	--	1,194,229	--	2,437,511
Title II - secondary	--	--	--	--	--	--	--	--	--	--	--	--	--	178,764	--	--	178,764
Medicaid match	52,224	120,039	203,243	100,884	25,025	4,941	177,075	31,929	334	51,907	346,734	5,113	--	--	130,578	--	1,250,026
Title II - Eisenhower Pro. Dev.	--	8,307	10,602	--	2,462	--	9,570	--	--	4,753	60,854	--	--	--	--	--	96,548
Technology - literacy challenge	--	--	180,000	--	--	--	--	--	--	--	--	--	--	--	--	--	180,000
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
Tech.-revolving loan program	--	99,550	--	--	--	15,000	--	--	--	--	392,950	--	--	--	--	--	507,500
School renovation	50,000	--	--	--	--	--	--	--	2,982	--	--	--	--	--	--	--	52,982
Class size reduction	27,409	49,100	64,638	8,358	--	6,379	48,043	--	5,465	25,897	373,570	3,306	--	--	--	--	612,165
Driver's education	7,445	10,990	11,566	4,899	2,904	--	16,090	4,798	--	4,996	41,653	3,285	--	--	--	--	108,626
Technology-close the gap	29,697	56,822	57,112	26,207	--	--	50,420	--	--	41,757	161,542	--	--	--	--	--	423,557
Title VI - formula	4,913	8,469	9,007	2,889	2,606	1,226	9,339	2,955	992	6,310	41,153	672	--	--	--	--	90,531
IL partnership academy	--	10,780	673	--	--	--	--	--	--	--	24,000	--	--	--	--	--	35,453
Goals 2000	--	--	--	--	--	--	--	--	--	--	10,000	--	--	--	--	--	10,000
Jobs for IL graduates	--	--	--	--	--	--	--	--	--	--	27,459	--	--	--	--	--	27,459
Summer bridges	--	--	--	--	--	--	--	--	--	29,783	153,713	--	--	--	--	--	183,496
Regional safe schools	--	--	--	--	--	--	--	--	--	--	--	--	146,228	--	--	--	146,228
	<u>\$ 2,632,466</u>	<u>\$ 5,824,331</u>	<u>\$ 6,224,485</u>	<u>\$ 1,917,570</u>	<u>\$ 1,334,686</u>	<u>\$ 980,269</u>	<u>\$ 5,382,492</u>	<u>\$ 1,428,832</u>	<u>\$ 328,123</u>	<u>\$ 3,693,054</u>	<u>\$ 28,534,157</u>	<u>\$155,379</u>	<u>\$ 259,364</u>	<u>\$ 317,828</u>	<u>\$ 1,637,024</u>	<u>\$ 4,840</u>	<u>\$60,654,900</u>

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

STATEMENT OF GENERAL FIXED ASSETS

June 30, 2002

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, 2002

	<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, 2002

	General Fixed Assets <u>July 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	General Fixed Assets <u>June 30, 2002</u>
Function:				
Instruction:				
Regional Safe Schools	<u>\$35,916</u>	\$ --	\$ --	<u>\$35,916</u>
Support services:				
General administration	26,841	--	--	26,841
Facilities acquisition and construction	<u>30,000</u>	--	--	<u>30,000</u>
	<u>56,841</u>	--	--	<u>56,841</u>
 Total general fixed assets allocated to function	 <u>\$92,757</u>	 \$ --	 \$ --	 <u>\$92,757</u>