

***MID-VALLEY SPECIAL EDUCATION
JOINT AGREEMENT***

Audited Financial Statements

June 30, 2012

**Mid-Valley Special Education
Joint Agreement
Required Communication Letters
Year Ended June 30, 2012**

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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*

Board of Directors
Mid-Valley Special Education Joint Agreement
St. Charles, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mid-Valley Special Education Joint Agreement as of and for the year ended June 30, 2012, which collectively comprise Mid-Valley Special Education Joint Agreement's basic financial statements and have issued our report thereon dated September 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Mid-Valley Special Education Joint Agreement is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Mid-Valley Special Education Joint Agreement's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing and opinion on the effectiveness of the Mid-Valley Special Education Joint Agreement's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Entity'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 reasonable possibility that a material misstatement of the District'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.

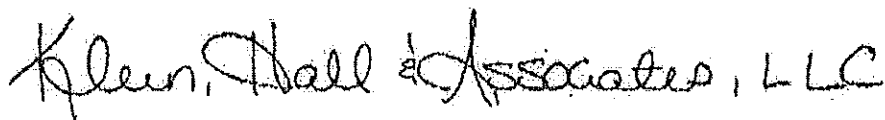
Board of Directors

Compliance and Other Matters

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

We noted certain matters that we reported to management of Mid-Valley Special Education Joint Agreement in a separate letter dated September 21, 2012.

This report is intended solely for the information and use of the management, the Board of Directors, the Illinois State Board of Education and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in black ink that reads "Klein, Hall & Associates, LLC". The signature is written in a cursive, flowing style.

Klein, Hall & Associates, LLC
Aurora, Illinois
September 21, 2012

Board of Directors
Mid-Valley Special Education Joint Agreement
St. Charles, Illinois

We have audited the financial statements of Mid-Valley Special Education Joint Agreement for the year ended June 30, 2012 and have issued our report thereon dated September 21, 2012.

As stated in our report on internal accounting controls, our study and evaluation disclosed no material weaknesses in your accounting system.

We would however, like to address the following items and offer recommendations for your consideration:

On-behalf Payments

We noted that the District currently does not budget an expense for the Teacher's Retirement System (TRS) contribution made by the State of Illinois on behalf of the Agreement. Not having an expense budget for this amount contributes to the Agreement's excess of expenditures over budget for the year ended June 30, 2012. We recommend the Agreement budget for this amount in the future.

Interest Allocation

The Agreement currently does not allocate any interest income to the Operations and Maintenance Fund. Interest should be allocated to individual funds based on the percentages of cash and investments held in each fund. We recommend the Agreement start allocating interest to all funds that have cash and investment balances.

Positive Attributes

Although the general purpose of this letter is to cover only matters needing consideration, we believe it is also important to point out that there are many positive attributes of the Agreement's financial management systems, which are not specifically covered herein.

Board of Directors

September 21, 2012

We would like to take this opportunity to thank the Business Office and their personnel for the cooperation and courtesies extended to us during our audit.

This report is intended solely for management and should not be used for any other purposes.

Sincerely,

A handwritten signature in black ink that reads "Klein, Hall & Associates, LLC". The signature is written in a cursive, slightly slanted style.

Klein, Hall & Associates, LLC
Aurora, Illinois
September 21, 2012



Communication with Those Charged with Governance

Board of Directors
Mid-Valley Special Education Joint Agreement
St. Charles, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mid-Valley Special Education Joint Agreement for the year ended June 30, 2012, and have issued our report thereon dated September 21, 2012. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated January 30, 2012, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered Mid-Valley Special Education Joint Agreement's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether Mid-Valley Special Education Joint Agreement's 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 is not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Mid-Valley Special Education Joint Agreement's compliance with the types of compliance requirements as described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on Mid-Valley Special Education Joint Agreement's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Mid-Valley Special Education Joint Agreement's compliance with those requirements.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on June 27, 2012.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Mid-Valley Special Education Joint Agreement are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during June 30, 2012. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 21, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Board of Education and management of Mid-Valley Special Education Joint Agreement and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Klein, Hall & Associates, LLC". The signature is written in a cursive, slightly slanted style.

Klein, Hall & Associates, LLC
Aurora, Illinois
September 21, 2012

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT

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MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT

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June 30, 2012

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Independent Auditors' Report

Board of Directors
Mid-Valley Special Education Joint Agreement
St. Charles, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mid-Valley Special Education Joint Agreement as of and for the year ended June 30, 2012, which collectively comprise the Agreement's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agreement'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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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 Mid-Valley Special Education Joint Agreement as of June 30, 2012, and the respective changes in financial position 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 our report dated September 21, 2012, on our consideration of the Mid-Valley Special Education Joint Agreement'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 results of our audit.

Accounting principles generally accepted in the United States of America require, that the management's discussion and analysis and required supplementary information 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 response 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 Mid-Valley Special Education Joint Agreement's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate 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 information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on it.



Klein, Hall & Associates, LLC
Aurora, Illinois
September 21, 2012

Mid-Valley Special Education Joint Agreement

Management's Discussion and Analysis

For the Year Ended June 30, 2012

The discussion and analysis of Mid-Valley Special Education Joint Agreement's (the "Joint Agreement") financial performance provides an overall review of the Joint Agreement's financial activities for the year ended June 30, 2012. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- The assets of the Joint Agreement exceeded its liabilities at the close of the most recent fiscal year by \$1,974,811 (net assets).

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Joint Agreement's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Joint Agreement's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Joint Agreement'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 the Joint Agreement is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the fiscal year being reported. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Mid-Valley Special Education Joint Agreement

Management's Discussion and Analysis

For the Year Ended June 30, 2012

The government-wide financial statements present the functions of the Joint Agreement that are principally supported by member Joint Agreement payments and intergovernmental revenues (governmental activities). The Joint Agreement has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The Joint Agreement's governmental activities include instructional services, related services, administrative, and operation and maintenance of one facility.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Joint Agreement uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the Joint Agreement can be categorized as governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Joint Agreement's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Joint Agreement maintains two 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 the General Fund and Operations and Maintenance Fund, both of which are considered to be major funds.

The Joint Agreement adopts an annual budget for each of the funds listed above. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

**Mid-Valley Special Education Joint Agreement
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statement and accompanying notes, this report also presents certain supplementary information concerning the Joint Agreement's progress in funding its obligation to provide pension benefits to its non-certified employees.

The Joint Agreement is funded by three main sources – payments from member and non-member school cooperatives, state funds, and federal funds. Five (5), member School Districts comprise the Joint Agreement. These Districts are responsible for all costs that are not reimbursable through state, federal and other local funds. As such, revenues should approximate expenses each year.

**Mid-Valley Special Education Joint Agreement
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

Cooperative-Wide Financial Analysis

The Joint Agreement increased its net assets by \$130,575 to \$1,974,811. This was primarily due to an increase in tuition revenue. Of this amount, \$1,156,834 was unrestricted and \$817,977 was invested in capital assets, net of related debt. The Joint Agreement had \$19,428,877 in expenses, of which \$11,068,960 was funded by Charges for Services and \$8,467,187 was funded by Operating Grants and Contributions.

Table 1			
Condensed Statement of Net Assets			
<i>(in thousands of dollars)</i>			
	<u>2012</u>	<u>2011</u>	<u>% Change</u>
ASSETS:			
Current and other assets	\$2,337	\$3,595	-35%
Deferred charges	12	15	-20%
Capital assets	<u>1,598</u>	<u>1,667</u>	-4%
Total Assets	<u>3,947</u>	<u>5,277</u>	-25%
LIABILITIES:			
Current liabilities	1,192	2,414	-51%
Long-term debt outstanding	<u>780</u>	<u>1,019</u>	-23%
Total liabilities	<u>1,972</u>	<u>3,433</u>	-43%
NET ASSETS:			
Invested in capital assets, Net of related debt	818	649	26%
Unrestricted	<u>1,157</u>	<u>1,195</u>	-3%
Total net assets	<u>\$1,975</u>	<u>\$1,844</u>	7%

Mid-Valley Special Education Joint Agreement
Management's Discussion and Analysis
For the Year Ended June 30, 2012

Table 2 Changes in Net Assets <i>(in thousands of dollars)</i>			
	<u>2012</u>	<u>2011</u>	<u>Percentage of Total</u>
Revenues:			
Program revenues:			
Charges for services	\$11,069	\$10,632	57%
Operating grants and contributions	8,467	9,040	43%
General revenues:			
Other	<u>23</u>	<u>28</u>	<u>0%</u>
Total revenues	<u>19,559</u>	<u>19,700</u>	<u>100%</u>
Expenses:			
Instruction	14,495	15,575	74%
Pupil and Instructional Services	3,455	3,383	18%
Administration and Business	1,330	1,269	7%
Operations and Maintenance	109	106	1%
Other	<u>39</u>	<u>48</u>	<u>0%</u>
Total expenses	<u>19,428</u>	<u>20,381</u>	<u>100%</u>
Increase (decrease) in Net Assets	<u>131</u>	<u>(681)</u>	
Net Assets Beginning	<u>1,844</u>	<u>2,525</u>	
Net Assets Ending	<u>\$1,975</u>	<u>\$1,844</u>	

Mid-Valley Special Education Joint Agreement Management's Discussion and Analysis For the Year Ended June 30, 2012

Financial Analysis of the Joint Agreement's Funds

As the Joint Agreement completed the year, its governmental funds reported combined fund balances of \$1,144,515. This represents a decrease of \$35,683 from the prior year. The instructional costs are directly related to the number of students attending the Joint Agreement's programs during the fiscal year. Expenditures in the General Fund decreased due to student enrollment and the need for special programs.

General Fund Budgetary Highlights

The General Fund's overall revenues were more than the budget by \$2,469,658, or 14.8% of the budget.

The General Fund's overall expenditures were more than budget by \$2,588,374, or 15.6% of the budget.

Capital Assets

During the year, no additions were made to capital assets. Depreciation expense was \$69,392 for the year.

Requests for Information

This financial report is designed to provide the Joint Agreement's citizens, taxpayers, and creditors with a general overview of the Joint Agreement's finances and to demonstrate the Joint Agreement's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Executive Director's Office, 1304 Ronzheimer Avenue, Saint Charles, Illinois 60174.

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT
STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Governmental Activities</u>
Assets:	
Cash and investments	\$ 2,193,559
Receivables:	
Due from other governments	143,374
Deferred Charges	12,319
Capital assets:	
Land	49,875
Other capital assets, net of depreciation	<u>1,548,021</u>
Total Assets	<u><u>3,947,148</u></u>
Liabilities:	
Accounts payable	10,460
Accrued salaries and related expenditures	933,269
Due to other governmental agencies	74,893
Unearned revenue	173,796
Noncurrent liabilities:	
Due within one year	250,000
Due in more than one year	<u>529,919</u>
Total Liabilities	<u><u>1,972,337</u></u>
Net Assets:	
Invested in capital assets, net of related debt	817,977
Unrestricted	<u>1,156,834</u>
Total net assets	<u><u>\$ 1,974,811</u></u>

See accompanying notes to basic financial statements

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Net Assets</u>
				<u>Total</u>
				<u>Governmental</u>
				<u>Activities</u>
Governmental Activities:				
Instructional services:				
Special programs	\$ 14,217,704	\$ 5,816,616	\$ 8,467,187	\$ 66,099
Other programs	277,850	282,389	-	4,539
Support services:				
Pupils	3,186,205	3,240,411	-	54,206
Instructional staff	268,410	273,468	-	5,058
General administration	1,002,534	1,018,663	-	16,129
School administration	115,849	118,154	-	2,305
Business administration	202,553	206,584	-	4,031
Central administration	9,345	9,531	-	186
Operation and maintenance of facilities	109,111	103,144	-	(5,967)
Interest on long-term liabilities	39,316	-	-	(39,316)
Total	<u>\$ 19,428,877</u>	<u>\$ 11,068,960</u>	<u>\$ 8,467,187</u>	<u>107,270</u>
 General revenues:				
				5,864
Earnings on Investments				17,441
Other revenues				<u>23,305</u>
			Total general revenues	
				<u>130,575</u>
			Change in net assets	
				<u>1,844,236</u>
Net assets - beginning				
				<u>\$ 1,974,811</u>

See accompanying notes to basic financial statements

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2012
WITH COMPARATIVE TOTALS FOR JUNE 30, 2011

	General (Educational)	Operations and Maintenance	Total	
			2012	2011
<u>ASSETS</u>				
Cash and investments	\$ 1,880,867	\$ 312,692	\$ 2,193,559	\$ 1,857,185
Receivables:				
Due from other governments	143,374	-	143,374	1,737,410
TOTAL ASSETS	\$ 2,024,241	\$ 312,692	\$ 2,336,933	\$ 3,594,595
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 10,460	\$ -	\$ 10,460	\$ 17,837
Accrued salaries and related expenditures	933,269	-	933,269	863,487
Due to other governmental agencies	74,893	-	74,893	1,533,073
Deferred revenue	173,796	-	173,796	-
Total Liabilities	1,192,418	-	1,192,418	2,414,397
Fund Balances:				
Unassigned	831,823	312,692	1,144,515	1,180,198
Total Fund Balances	831,823	312,692	1,144,515	1,180,198
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,024,241	\$ 312,692	\$ 2,336,933	\$ 3,594,595

See accompanying notes to basic financial statements

**MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012**

Total fund balances - governmental funds **\$ 1,144,515**

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. The cost of the assets is \$2,869,804 and the accumulated depreciation is \$1,271,908. 1,597,896

Deferred charges included in the statement of net assets are not available to pay for current period expenditures and accordingly, are not included in the governmental funds balance sheet. 12,319

Long-term liabilities applicable to the Joint Agreement's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Assets.

Debt certificates payable	\$ (785,000)	
Unamortized discount	<u>5,081</u>	<u>(779,919)</u>

Net assets of governmental activities **\$ 1,974,811**

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2011

	General (Educational)	Operations and Maintenance	Total	
			2012	2011
REVENUES				
Local sources	\$ 10,665,135	\$ 427,130	\$ 11,092,265	\$10,659,606
Flow through sources	5,791,376	-	5,791,376	6,945,614
State sources	2,349,571	-	2,349,571	1,857,421
Federal sources	326,240	-	326,240	236,896
Total Revenues	19,132,322	427,130	19,559,452	\$19,699,537
EXPENDITURES				
Current operating:				
Instruction	6,749,840	-	6,749,840	6,209,099
Support services	4,771,850	101,131	4,872,981	4,736,400
Non-programmed charges	7,697,348	-	7,697,348	9,316,052
Debt service	-	274,966	274,966	273,388
Total Expenditures	19,219,038	376,097	19,595,135	20,534,939
Excess (deficiency) of revenues over expenditures	(86,716)	51,033	(35,683)	(835,402)
Fund balances at beginning of year	918,539	261,659	1,180,198	2,015,600
FUND BALANCES AT END OF YEAR	\$ 831,823	\$ 312,692	\$ 1,144,515	\$ 1,180,198

See accompanying notes to basic financial statements

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Net change in fund balances - total governmental funds **\$ (35,683)**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Depreciation expense (69,392)

The governmental funds report bond and loan proceeds as an other financing source, while repayment of bond and loan principal is reported as an expenditure. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of bonds and loans and related items is as follows:

Amortization of issuance costs on bonds	\$ (3,081)	
Amortization of discount	(1,269)	
Repayment of bond and loan principal	240,000	235,650

Change in net assets of governmental activities **\$ 130,575**

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS - ACTIVITY FUNDS
JUNE 30, 2012

Assets:

Cash	<u>\$ 2,904</u>
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Liabilities:

Due to organizations	<u>\$ 2,904</u>
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See accompanying notes to basic financial statements

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT

Notes to Financial Statements

June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Mid-Valley Special Education Joint Agreement (The 'Joint Agreement') operates as a public school system governed by a seven-member board. The Joint Agreement is organized under the School Code of the State of Illinois as amended. The accounting policies of the Joint Agreement conform to accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the Joint Agreement.

a. The Reporting Entity

Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary governmental are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statement No. 14 have been considered and there are no agencies or entities which should be presented with the Joint Agreement. Using the same criteria, the Joint Agreement is not included as a component unit of any other governmental entity.

A legal separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organizations; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. This report does not contain any component units.

b. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The following summarizes the fund types used by the District:

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT

Notes to Financial Statements (Continued)

June 30, 2012

Governmental funds include the following fund types:

General (Educational) Fund - The General (Educational) Fund is used to account for the revenues and expenditures, which are used in providing education in the District. It is used to account for all financial resources except those required to be accounted for in other funds.

Operations and Maintenance Fund - These accounts are used for expenditures made for operation, repair and maintenance of District property. Revenue consists primarily of local property taxes.

Fiduciary Fund Type

Agency Funds - The Agency Funds (Activity Funds) account for assets held by the District in trustee capacity or as an agent for student organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide financial statements.

The District reports the following funds as major governmental funds:

General Educational Fund
Operations and Maintenance Fund

Private-sector standards of accounting, and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The District has adopted a policy consistent with GASB Statement No. 34 to net the interfund receivables and payables for combined totals used to determine the major funds. Consequently, the interfund loan balances, which net to zero, are not utilized to determine major funds.

c. Basis of Presentation

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 nonfiduciary activities of the Joint Agreement. For the most part, the effect of interfund activity has been removed from these statements. All of the Joint Agreement's operating activities are considered "governmental activities", that is, activities that are

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT

Notes to Financial Statements (Continued)

June 30, 2012

normally supported by taxes and intergovernmental revenues. The Joint Agreement has no operating activities that would be considered "business activities".

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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. Tuition is recognized as revenue in the year related services are provided. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government 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 in the current period. For this purpose, the Joint Agreement considers revenues to be available if they are collected within 60 days of the current fiscal period. 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, are recorded only when payment is due.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as a revenue of the current period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All other revenue items are considered to be measurable and available only when the Joint Agreement receives the cash.

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT

Notes to Financial Statements (Continued)

June 30, 2012

d. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimated and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

e. Capital Assets

Capital assets, which include land, land improvements, buildings, and equipment are reported in the government-wide financial statements. Capital assets are defined by the Joint Agreement as assets with an initial cost of more than \$5,000 and an estimated useful life of 1 year or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. In 2010, the Joint Agreement engaged an appraisal company to perform an onsite inspection to develop detailed capital asset records.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Land Improvement	15
Equipment	5-15

f. Compensated Absences

Employees who work a twelve-month year are entitled to be compensated for vacation time. Vacations are usually taken within a calendar year. Accrued but unpaid vacation leave at June 30, 2012, was insignificant and has not been reflected as a liability.

All certified employees receive 15 sick days per year, in accordance with the Joint Agreement between the Board of Education and the Education Association. Unused sick leave days may accumulate with no limit. Upon retirement, a certified employee may apply up to 340 days of unused sick leave toward service credit for TRS.

Full time 12 month educational support personnel receive 15 sick days per year, which accumulate with no limit. All other educational support personnel working at least 600 hours per year receive 13 sick days per year, which accumulate with no limit. Unused sick days are not reimbursed upon termination. Upon retirement, however, employees are reimbursed \$15 per day for unused sick days up to a maximum of 18 days.

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT

Notes to Financial Statements (Continued)

June 30, 2012

Due to the nature of the policies on sick leave, and the fact that liability is contingent upon future events and cannot be reasonably estimated, no liability is provided in the financial statements for accumulated unpaid sick leave.

g. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statements of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

h. Restricted Net Assets

For the government-wide financial statements, net assets are reported as restricted when constraints placed on net assets are either: (1) Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the Joint Agreement's policy to use restricted resources first, and then unrestricted resources as they are needed.

i. Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Joint Agreement's financial statements for the year ended June 30, 2011, from which the summarized information was derived.

j. Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT

Notes to Financial Statements (Continued)

June 30, 2012

NOTE 2. DEPOSITS AND INVESTMENTS

At June 30, 2012 the carrying amount of the Joint Agreement's deposits, (excluding activity accounts of \$2,904) totaled \$2,193,559 and the bank balances totaled \$2,391,216. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2012 these amounts were entirely insured or collateralized.

Concentration of Credit Risk. The Joint Agreement places no limit on the amount the Joint Agreement may invest any one issuer. More than 5 percent of the Joint Agreement's investments are concentrated in specific individual investments.

NOTE 3. CAPITAL ASSETS

Capital asset activity for the Joint Agreement for the year ended June 30, 2012, was as follows:

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Capital assets, not being depreciated:				
Land	\$ 49,875	\$ -	\$ -	\$ 49,875
Total capital assets not being depreciated	<u>49,875</u>	-	-	<u>49,875</u>
Capital assets, being depreciated:				
Buildings	2,775,654	-	-	2,775,654
Equipment	44,275	-	-	44,275
Total capital assets being depreciated	<u>2,819,929</u>	-	-	<u>2,819,929</u>
Accumulated depreciation for:				
Buildings	1,158,241	69,392	-	1,227,633
Equipment	44,275	-	-	44,275
Total accumulated depreciation	<u>1,202,516</u>	69,392	-	<u>1,271,908</u>
Total capital assets being depreciated, net	<u>1,617,413</u>	(69,392)	-	<u>1,548,021</u>
Total capital assets, net	<u>\$ 1,667,288</u>	<u>\$ (69,392)</u>	<u>\$ -</u>	<u>\$ 1,597,896</u>

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT
Notes to Financial Statements (Continued)
June 30, 2012

Depreciation expense was charged to functions of the Joint Agreements is as follows:

Instructional Services:

Regular programs	\$ 47,395
Special programs	971

Supporting Services:

Pupils	9,021
Instructional Staff	278
General administration	3,747
Operations and maintenance of facilities	7,980
	<u>\$ 69,392</u>

NOTE 4. LONG TERM DEBT

The following is a summary of the components of long-term debt and related transactions of the Joint Agreement for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Amount due in one year
Debt Certificates	\$ 1,025,000	\$ -	\$ 240,000	\$ 785,000	\$ 250,000
Unamortized Discount	(6,350)	-	(1,269)	(5,081)	-
Total Long-Term Debt	\$ 1,018,650	\$ -	\$ 238,731	\$ 779,919	\$ 250,000

Debt Certificates Payable

The Joint Agreement issued \$2,300,000 in debt certificates during 2005 for an addition to the Mades-Johnstone Center. The obligations will be repaid from the Operations and Maintenance Fund.

At June 30, 2012, the Joint Agreement's annual cash flow requirements for retirement of debt certificate principal and interest were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2013	\$ 250,000	\$ 26,225	\$ 276,225
2014	260,000	17,293	277,293
2015	275,000	7,678	282,678
Total	\$ 785,000	\$ 51,196	\$ 836,196

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT

Notes to Financial Statements (Continued)

June 30, 2012

NOTE 5. OTHER POST-EMPLOYMENT BENEFITS

The Joint Agreement provides a \$2,450 stipend to certified employees retiring between the ages of 55 and 65 to be used toward a health insurance program. The stipend is payable through age 65. The Joint Agreement finances the plan on a pay-as-you-go basis. For the year ended June 30, 2012, the Joint Agreement incurred \$19,600 of expenditures for 8 (eight) retirees receiving stipends under this program.

NOTE 6. RETIREMENT FUND COMMITMENTS:

Illinois Teachers' Retirement System

The Joint Agreement participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2012, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2011 and 2010.

The State of Illinois makes contributions directly to TRS on behalf of the Joint Agreement's TRS-covered employees. The Joint Agreement's total payroll reported to TRS for the year ended June 30, 2012 was \$3,956,327.

On-behalf contributions. The State of Illinois makes employer pension contributions on behalf of the Joint Agreement. For the year ended June 30, 2012, State of Illinois contributions were based on 24.91 percent of creditable earnings not paid from federal funds, and the Joint Agreement recognized revenue and expenditures of \$965,485 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2011, and June 30, 2010, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.10 percent (\$855,090) and 23.38 percent (\$964,495), respectively.

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT

Notes to Financial Statements (Continued)

June 30, 2012

The Joint Agreement makes other types of employer contributions directly to TRS.

2.2 Formula Contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2012 were \$22,947. Contributions for the years ending June 30, 2011, and June 30, 2010, were \$21,470 and \$23,927, respectively.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the Joint Agreement, there is a statutory requirement for the Joint Agreement to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2012, the employer pension contribution was 24.91 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2011 and 2010 the employer contribution was 23.10 and 23.38 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2012, \$80,435 salaries were paid from federal and special trust funds that required employer contributions of \$20,036. For the years ended June 30, 2011 and June 30, 2010, no contribution payments were required to be made by the Joint Agreement.

Early Retirement Option (ERO). The Joint Agreement is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

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

For the year ended June 30, 2012, the Joint Agreement paid \$36,025 to TRS for employer contributions under the ERO program. For the years ended June 30, 2011 and June 30, 2010, the Joint Agreement paid \$0 and \$103,953 employer ERO contributions, respectively.

Salary increases over 6 percent and excess sick leave.

If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT

Notes to Financial Statements (Continued)

June 30, 2012

For the year ended June 30, 2012, the Joint Agreement paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2011 and 2010, the Joint Agreement paid \$10,470 and \$0 to TRS in employer contributions due on salary increases in excess of 6 percent, respectively.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.83 percent of salary during the year ended June 30, 2012).

For the year ended June 30, 2012, the Joint Agreement paid \$0 to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2011 and 2010, the Joint Agreement made no payments to TRS in employer contributions granted for sick leave days.

TRS financial information, an explanation of TRS' benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2011. The report for the year ended June 30, 2012, is expected to be available in late 2012. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at <http://trs.illinois.gov>.

Teacher Health Insurance Security (THIS)

The Joint Agreement participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by CMS with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state to make a contribution to THIS Fund.

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT

Notes to Financial Statements (Continued)

June 30, 2012

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On Behalf Contributions to THIS Fund. The state of Illinois makes employer retiree health insurance contributions on behalf of the Joint Agreement. State contributions are intended to match contributions to THIS Fund from active members which were 0.88 percent of pay during the year ended June 30, 2012. State of Illinois contributions were \$34,816, and the Joint Agreement recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2011 and 2010 were 0.88 percent and 0.84 percent of pay, respectively. State contributions on behalf of Joint Agreement employees were \$32,575, and \$34,653, respectively.

Employer contributions to THIS Fund. The Joint Agreement also makes contributions to THIS Fund. The Joint Agreement THIS Fund contribution was 0.66 percent during the years ended June 30, 2012 and June 30, 2011, and 0.63 percent during the year ended June 30, 2010. For the year ended June 30, 2012, the Joint Agreement paid \$26,112 to the THIS Fund. For the years ended June 30, 2011 and June 30, 2010, the Joint Agreement paid \$24,431 and \$25,989, respectively, which was 100 percent of the required contribution.

Further Information on THIS Fund. The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

Illinois Municipal Retirement Fund:

Plan Description. The employer's defined benefit pension plan for Regular employees provides retirements and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. Your employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), and agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statement and required supplementary information. That report may be obtained online at www.imrf.org.

Funding Policy. As set by statute, your Joint Agreement's Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Joint Agreement's annual required contribution rate for calendar year 2011 was 9.48 percent. The Joint Agreement also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT

Notes to Financial Statements (Continued)

June 30, 2012

Annual Pension Cost. The required contribution for calendar year 2011 was \$152,570.

Three-Year Trend Information for the Regular Plan*

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2011	\$152,570	100%	\$0
12/31/2010	0	0%	0
12/31/2009	0	0%	0

*The Joint Agreement became an individual IMRF member beginning in 2011. Prior information was combined with St. Charles Community Unit School District 303.

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Joint Agreement's Regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 10 year basis.

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 17.77 percent funded. The actuarial accrued liability for benefits was \$1,219,283 and the actuarial value of assets was \$216,726, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,002,557. The covered payroll (annual payroll of active employees covered by the plan) was \$1,609,388 and the ratio of the UAAL to the covered payroll was 62 percent.

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

NOTE 7. POSTEMPLOYMENT HEALTHCARE PLAN

The Joint Agreement's postemployment healthcare plan is administered by Community Unit School District 303 and is maintained on a combined basis. This combined data has been reported in Community Unit School District 303's Annual Audited Financial Statements. Separate data for District 303 and the Joint Agreement is not available.

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT

Notes to Financial Statements (Continued)

June 30, 2012

NOTE 8. RISK MANAGEMENT

The Joint Agreement has purchased insurance through risk pools (see Notes 9 and 10) and from private insurance companies. Risks covered include general liability, workers' compensation and other. Premiums have been displayed as expenditures in appropriate funds. No material decreases in insurance coverages have occurred nor have any insurance claims in excess of insurance coverages been paid or reported. The Joint Agreement also participates in a self-insurance program for medical coverage for employees through its administrative District, Community Unit School District 303. The cost of this insurance is paid to the Administrative District.

NOTE 9. IASB – ENDORSED WORKERS' COMPENSATION SELF-INSURANCE TRUST (the Trust)

The Joint Agreement is a member of the Trust, which has been formed to reduce local school districts' workers' compensation costs. The day-to-day operations of the Trust are managed through a Board of Trustees, elected by the member districts. Each member district has a financial responsibility for annual membership contributions, which are calculated to provide for administrative expenses, specific and aggregate excess insurance coverage, and the funding of anticipated losses and loss adjustment expenses which will be borne directly by the membership. The losses and loss adjustment expenses to be borne by the membership are those which must be incurred prior to the attachment of excess insurance coverage.

Complete financial statements for the Trust can be obtained by written request to the IASB endorsed WCSIT % Hinz Professional Insurance Program Managers, Inc., 525 West Monroe Street, Suite 2400, Chicago, IL 60661.

NOTE 10. IASB – ILLINOIS SCHOOL DISTRICT AGENCY (the ISDA)

The District is a member of ISDA, a cooperative association of public school districts established in 1986. The ISDA was established as a joint self-insurance program to indemnify each member for covered property/casualty losses as an alternative to insurance coverage from a commercial insurance carrier.

Members are required to make annual contributions as determined by the Board of Regents. Such contributions are intended to cover estimated loss payments and related costs, and administrative and operational expenses. The Board of Regents may also impose special assessments to the extent they are needed to reduce or eliminate a deficit of the ISDA. No special assessments have been imposed.

Complete financial statements for the ISDA can be obtained by written request to the IASB endorsed WCSIT % Hinz Professional Insurance Program Managers, Inc., 525 West Monroe Street, Suite 2400, Chicago, IL 60661.

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT

Notes to Financial Statements (Continued)

June 30, 2012

NOTE 11. FUND BALANCE REPORTING

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The agreement has several revenue sources received within different funds that also fall into these categories –

1. State and Federal Grants

Proceeds from state and federal grants and the related expenditures disbursed have been included in the General Fund and various Special Revenue Funds. At June 30, 2012, expenditures exceeded revenue from state and federal grants, resulting in no restricted balances.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the School Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

No committed balances existed as of June 30, 2012.

D. Assigned Fund Balance

The assigned fund balance classification refers to the amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted or committed.

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT

Notes to Financial Statements (Continued)

June 30, 2012

Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

No assigned balances existed as of June 30, 2012.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds.

F. Disaggregation of Fund Balances

Fund	Nonspendable	Restricted	Committed	Assigned	Unassigned
Educational					\$ 831,823
Operations & Maintenance					312,692

G. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

NOTE 12. EXCESS OF EXPENDITURES OVER BUDGETS IN INDIVIDUAL FUNDS

Expenditures exceeded the budgeted amount in the following Fund:

	Budget	Actual	Excess
General (Educational) Fund	\$ 16,630,664	\$ 19,219,038	\$ 2,588,374

The expenditure variances were sufficiently absorbed by surpluses that existed at the beginning of the fiscal year and were approved by the Board of Directors. Under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT

Schedule of Funding Progress (unaudited)

Illinois Municipal Retirement Fund

June 30, 2012

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/2011	\$216,726	\$1,219,283	\$1,002,557	17.77%	\$1,609,388	62.29%
12/31/2010	0	0	0	0.00%		N/A
12/31/2009	0	0	0	0.00%		N/A

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$210,493. On a market basis, the funded ratio would be 17.26%.

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - GENERAL FUND AND
MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2012

	General (Educational) Fund		
	Original and Final Budget	Actual	Variance Over/Under
REVENUES			
Local sources	\$ 10,440,030	\$ 10,665,135	\$ 225,105
Flow-through sources	5,469,976	5,791,376	321,400
State sources	500,000	2,349,571	1,849,571
Federal sources	252,658	326,240	73,582
Total Revenues	16,662,664	19,132,322	2,469,658
EXPENDITURES			
Current operating:			
Instruction	5,857,667	6,749,840	(892,173)
Support services	4,783,091	4,771,850	11,241
Non-programmed charges	5,969,906	7,697,348	(1,727,442)
Debt service	-	-	-
Provision for contingencies	20,000	-	20,000
Total Expenditures	16,630,664	19,219,038	(2,588,374)
Excess (deficiency) of revenues over expenditures	<u>\$ 32,000</u>	<u>(86,716)</u>	<u>\$ (118,716)</u>
Fund Balances at beginning of year		<u>918,539</u>	
FUND BALANCES AT END OF YEAR		<u>\$ 831,823</u>	

Operations & Maintenance Fund

Original and Final Budget	Actual	Variance Over/Under
\$ 416,795	\$ 427,130	\$ 10,335
-	-	-
-	-	-
-	-	-
<u>416,795</u>	<u>427,130</u>	<u>10,335</u>
-	-	-
141,827	101,131	40,696
-	-	-
274,968	274,966	2
-	-	-
<u>416,795</u>	<u>376,097</u>	<u>40,698</u>
<u>\$ -</u>	51,033	<u>\$ 51,033</u>
	<u>261,659</u>	
	<u>\$ 312,692</u>	

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT
Notes to Required Supplementary Information
June 30, 2012

BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets for all Governmental Funds are adopted on the modified accrual basis by the Board of Education.

The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
- Prior to September 1st, the budget is legally adopted through passage of a resolution.
- The Executive Director is authorized to transfer up to 10% of the total budget between departments within any fund without the Board of Education approval. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law. The legal level of control remains at the fund level for each legally adopted operating budget since transfers are restricted entirely within each individual fund. The budget was adopted on August 9, 2010.
- Formal budgetary integration is employed as a management control device during the year for all its Governmental Funds.
- The Joint Agreement has adopted a legal budget for all its Governmental Funds. Total actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act, expenditures may exceed the budget if additional resources are available to finance such expenditures.
- The budget lapses at the end of each fiscal year. (All appropriations lapse at year-end).

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT
GENERAL (EDUCATIONAL) FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local Sources:				
Tuition	\$ 10,438,030	\$ 10,652,954	\$ 214,924	\$ 10,264,947
Earnings on investments	2,000	5,864	3,864	10,666
Refund of prior years' expenditure	-	362	362	16,531
Other	-	5,955	5,955	676
Total Local Sources	10,440,030	10,665,135	225,105	10,292,820
Flow Through Sources:				
Flow through from federal sources	5,469,976	5,791,376	321,400	6,945,614
Total Flow Through Sources	5,469,976	5,791,376	321,400	6,945,614
State Sources:				
Special education	500,000	1,220,886	720,886	767,353
State of Illinois on-behalf payments	-	1,000,301	1,000,301	887,665
Other grants-in-aid	-	128,384	128,384	202,403
Total State Sources	500,000	2,349,571	1,849,571	1,857,421
Federal Sources:				
IDEA - Flow through	222,658	181,757	(40,901)	31,954
ARRA IDEA - Flow through	-	68,931	68,931	70,153
DORS	-	11,140	11,140	22,695
Medicaid matching/administrative outreach	30,000	64,412	34,412	112,094
Total Federal Sources	252,658	326,240	73,582	236,896
Total Revenues	16,662,664	19,132,322	2,469,658	19,332,751
EXPENDITURES				
Special programs:				
Salaries	3,920,507	3,863,463	57,044	3,584,997
Employee benefits	1,373,954	1,307,564	66,390	1,176,056
State of Illinois on-behalf payments	-	1,000,301	(1,000,301)	887,665
Purchased services	207,963	181,975	25,988	161,462
Supplies and materials	78,165	119,328	(41,163)	37,264
Capital outlay	2,000	-	2,000	-
Other	200	-	200	-
Non-capitalized equipment	3,500	330	3,170	322
Total	\$ 5,586,289	\$ 6,472,961	\$ (886,672)	\$ 5,847,766

(Continued)

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT
GENERAL (EDUCATIONAL) FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
Summer school:				
Salaries	\$ 234,542	\$ 243,761	\$ (9,219)	\$ 320,544
Employee benefits	30,336	26,931	3,405	39,145
Purchased services	4,000	4,630	(630)	918
Supplies and materials	2,500	1,557	943	726
Total	271,378	276,879	(5,501)	361,333
Total Instruction	5,857,667	6,749,840	(892,173)	6,209,099
Support Services:				
Pupils:				
Attendance and social work:				
Salaries	323,332	355,918	(32,586)	316,248
Employee benefits	66,202	73,985	(7,783)	64,744
Purchased services	3,660	2,646	1,014	2,442
Supplies and materials	1,140	279	861	1,543
Total	394,334	432,828	(38,494)	384,977
Health services:				
Salaries	1,870,872	1,874,781	(3,909)	1,867,094
Employee benefits	546,063	512,381	33,682	532,036
Purchased services	38,045	62,170	(24,125)	62,290
Supplies and materials	53,547	12,922	40,625	22,368
Other	768	387	381	387
Non-capitalized equipment	5,000	920	4,080	2,310
Total	2,514,295	2,463,561	50,734	2,486,485
Psychological services:				
Salaries	39,036	38,554	482	38,554
Employee benefits	566	559	7	559
Purchased services	850	301	549	376
Supplies and materials	850	498	352	2,097
Other	200	-	200	-
Total	\$ 41,502	\$ 39,912	\$ 1,590	\$ 41,586

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT
GENERAL (EDUCATIONAL) FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
Speech pathology and audiology services:				
Salaries	\$ 225,685	\$ 203,923	\$ 21,762	\$ 219,199
Employee benefits	46,656	31,978	14,678	45,373
Purchased services	11,699	2,746	8,953	52,832
Supplies and materials	4,001	2,236	1,765	1,097
Total	288,041	240,883	47,158	318,501
Other pupil support services:				
Supplies and materials	-	-	-	366
Total	-	-	-	366
Instructional staff:				
Improvement of instruction services:				
Salaries	101,252	87,444	13,808	81,285
Employee benefits	23,871	23,156	715	21,915
Purchased services	40,965	44,488	(3,523)	35,430
Supplies and materials	1,800	1,058	742	2,566
Total	167,888	156,146	11,742	141,196
Educational media services:				
Supplies and materials	-	92,506	(92,506)	-
Capital outlay	-	19,480	(19,480)	-
Total	-	111,986	(111,986)	-
General administration:				
Board of education:				
Employee benefits	62,600	72,185	(9,585)	-
Purchased services	292,000	208,041	83,959	227,467
Supplies and materials	500	-	500	-
Other	-	-	-	6,750
Total	\$ 355,100	\$ 280,226	\$ 74,874	\$ 234,217

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT
GENERAL (EDUCATIONAL) FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011
	Final Budget	Actual	Variance Over/Under	Actual
Executive administration:				
Salaries	\$ 445,221	\$ 432,859	\$ 12,362	\$ 521,111
Employee benefits	114,951	115,894	(943)	140,929
Purchased services	120,000	129,041	(9,041)	166,662
Supplies and materials	17,100	16,091	1,009	15,205
Capital outlay	-	20,884	(20,884)	-
Other	1,500	1,468	32	2,148
Non-capitalized equipment	3,000	2,324	676	1,246
Total	701,772	718,561	(16,789)	847,301
School administration:				
Office of the principal:				
Salaries	-	-	-	131,403
Employee benefits	97,394	85,290	12,104	45,061
Purchased services	28,768	23,268	5,500	7,348
Supplies and materials	7,346	5,891	1,455	-
Other	650	1,400	(750)	100
Total	134,158	115,849	18,309	183,912
Business administration:				
Fiscal services:				
Salaries	135,775	158,077	(22,302)	-
Employee benefits	37,594	41,861	(4,267)	-
Purchased services	1,632	1,851	(219)	-
Other	1,000	764	236	-
Total	176,001	202,553	(26,552)	-
Central administration:				
Staff services:				
Purchased services	5,000	4,759	241	-
Supplies and materials	5,000	4,586	414	-
Total	10,000	9,345	655	-
Total Support Services	\$ 4,783,091	\$ 4,771,850	\$ 11,241	\$ 4,638,541

(Continued)

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT
GENERAL (EDUCATIONAL) FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
Non-programmed charges	\$ 5,969,906	\$ 7,697,348	\$ (1,727,442)	\$ 9,316,052
Provision for contingencies	20,000	-	20,000	-
Total Expenditures	<u>16,630,664</u>	<u>19,219,038</u>	<u>(2,588,374)</u>	<u>20,163,692</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 32,000</u>	(86,716)	<u>\$ (118,716)</u>	(830,941)
Fund balance at beginning of year		<u>918,539</u>		<u>1,749,480</u>
FUND BALANCE AT END OF YEAR		<u>\$ 831,823</u>		<u>\$ 918,539</u>

**MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT
OPERATIONS AND MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local Sources:				
Refund of prior years' expenditure	\$ -	\$ 11,124	\$ 11,124	\$ -
Payment from other LEA's	416,795	416,006	(789)	366,786
Total Local Sources	416,795	427,130	10,335	366,786
Total Revenues	416,795	427,130	10,335	366,786
EXPENDITURES				
Current operating:				
Support services				
Operation and Maintenance of Plant Services:				
Salaries	9,959	14,030	(4,071)	14,290
Employee benefits	5,768	-	5,768	-
Purchased services	36,100	31,938	4,162	80,894
Supplies and materials	90,000	55,163	34,837	2,675
Total Support services	141,827	101,131	40,696	97,859
Debt service	274,968	274,966	.2	273,388
Total Expenditures	416,795	376,097	40,698	371,247
Excess (deficiency) of revenues over expenditures	\$ -	51,033	\$ 51,033	(4,461)
Fund balance at beginning of year		261,659		266,120
FUND BALANCE AT END OF YEAR		\$ 312,692		\$ 261,659

MID-VALLEY SPECIAL EDUCATION JOINT AGREEMENT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS - ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
Assets:				
Cash	<u>\$ 3,771</u>	<u>\$ 8,698</u>	<u>\$ 9,565</u>	<u>\$ 2,904</u>
Liabilities:				
Due to organizations	<u>\$ 3,771</u>	<u>\$ 8,698</u>	<u>\$ 9,565</u>	<u>\$ 2,904</u>