



**State of Illinois  
SUBURBAN COOK COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 14  
FINANCIAL AUDIT  
For the Year Ended June 30, 2005**

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



**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**

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**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**

**OFFICIALS**

Regional Superintendent  
(current and during the audit period)

Honorable Robert Ingraffia

Assistant Regional Superintendent  
(current and during the audit period)

Ms. Margot Fennelly

Assistant Regional Superintendent  
(10 months during the audit period)

Mr. Thomas O'Malley

Assistant Regional Superintendent  
(5.5 months during the audit period)

Mr. Joseph Scolire

Assistant Regional Superintendent  
(4.5 months during the audit period)

Mr. James Fiore

Office is located at:

10110 Gladstone Street  
Westchester, Illinois 60154-2618

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**

**FINANCIAL REPORT SUMMARY**

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

**AUDITOR'S REPORTS**

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

**SUMMARY OF AUDIT FINDINGS**

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	2	0
Repeated audit findings	0	0
Prior recommendations implemented or not repeated	0	5

Details of audit findings are presented in a separately tabbed report section.

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)		
05-1	9	Inaccurate Expenditure Report
05-2	10-11	Controls Over Compliance with Laws and Regulations

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

None

**INFORMAL EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on September 13, 2005. Attending were Honorable Robert Ingraffia, Regional Superintendent, Mr. Richard Maday, Bookkeeper, and Ms. Beth McGrath, CPA, from Clifton Gunderson LLP. Responses to the recommendations were provided by Honorable Robert Ingraffia, Regional Superintendent on September 13, 2005.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**

**FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of Suburban Cook County Regional Office of Education No. 14 was performed by Clifton Gunderson LLP.

Based on their audit, the auditors expressed an unqualified opinion on Suburban Cook County Regional Office of Education No. 14's basic financial statements.

## INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Suburban Cook County Regional Office of Education No. 14, as of and for the year ended June 30, 2005, which collectively comprise the Suburban Cook County Regional Office of Education No. 14's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Suburban Cook County Regional Office of Education No. 14's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Suburban Cook County Regional Office of Education No. 14, as of June 30, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2005, on our consideration of the Suburban Cook County Regional Office of Education No. 14's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 15 through 23 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Suburban Cook County Regional Office of Education No. 14's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Clifton Henderson LLP*

DeWitt, Iowa  
September 15, 2005



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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Suburban Cook County Regional Office of Education No. 14, as of and for the year ended June 30, 2005, which collectively comprise the Suburban Cook County Regional Office of Education No. 14's basic financial statements and have issued our report thereon dated September 15, 2005. 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**

In planning and performing our audit, we considered the Suburban Cook County Regional Office of Education No. 14'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 an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the 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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Suburban Cook County Regional Office of Education No. 14's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are required by the *Guidelines to Auditing and Reporting for a Regional Office of Education*, to be reported on the accompanying Schedule of Findings and Questioned Costs as items 05-1 and 05-2.

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

*Clifton Henderson LLP*

DeWitt, Iowa  
September 15, 2005

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2005**

**Section I: Summary of Auditor's Results:**

**Financial Statements**

Type of auditor's report issued: \_\_\_\_\_ Unqualified \_\_\_\_\_

Internal control over financial reporting:

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

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2005**

**Section II: Findings Related to the Basic Financial Statements:**

**FINDING NO. 05-1 - Inaccurate Expenditure Report**

**Criteria/Specific Requirement:**

Amounts submitted on grant expenditure reports to the Illinois State Board of Education should be in agreement with the general ledger.

**Condition:**

Suburban Cook County Regional Office of Education No. 14 included \$2,014 in expenses related to the 2004/2005 Truant Alternative Grant on the expenditure report for both the 2003/2004 grant and the 2004/2005 grant.

**Effect:**

The expenditure report that was submitted for the 2003/2004 grant did not accurately reflect the activity of the period.

**Cause:**

This condition exists because of an oversight when reviewing expenses, which caused the Suburban Cook County Regional Office of Education No. 14 to include 2004/2005 expenses on the 2003/2004 expenditure report.

**Auditor's Recommendation:**

The Suburban Cook County Regional Office of Education No. 14 should amend the expenditure report to accurately reflect the grant activity for the 2003/2004 grant year and return the unused portion of grant funding to ISBE.

**Management's Response:**

The Suburban Cook County Regional Office of Education No. 14 will amend the expenditure report to accurately reflect the grant activity for the 2003/2004 grant year and has notified ISBE of the error. ISBE stated that they would reduce the 2005/2006 grant upon receipt of the audited financial statements.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2005**

**Section II: Findings Related to the Basic Financial Statements:**

**FINDING NO. 05-2 - Controls Over Compliance with Laws and Regulations**

**Criteria/specific requirement:**

The Illinois School Code 105 ILCS 5/3-14.11 states that the Regional Superintendent shall examine at least once each year all books, accounts, and vouchers of every school treasurer in his educational service region, and if he finds any irregularities in them, to report them at once, in writing, to the trustees in Class II county school units, to the respective school boards of those school districts which form a part of a Class II county school unit but which are not subject to the jurisdiction of the trustees of schools of any township in which any such district is located, or to the respective school boards of the district in Class I county school units whose duty it shall be to take immediately such action as the case demands.

This mandate has existed in its current form since at least 1953.

**Condition:**

The Regional Office is not examining all books, accounts, and vouchers of every school treasurer in his educational service area at least once each year. Regional Office officials noted that they believe this mandate is outdated and that they are satisfying the intent of the statute by other reviews they undertake. For example, the Regional Superintendent signs off on the Annual Financial Reports from the school districts in his region. In addition, the Regional Office reviews any exceptions or findings in audit reports for each of the school districts. The Regional Office follows up with school districts having exceptions and gets the corrective action and forwards it to ISBE.

While these are reviews involving the finances of school treasurers, they are not in the level of detail required by 105 ILCS 5/3-14.11.

**Effect:**

The Regional Office of Education No. 14 did not comply with statutory requirements.

**Cause:**

According to ROE officials, this mandate is not possible due to the time requirement and knowledge necessary for a thorough review of every school districts' books, accounts, and vouchers. The Regional Superintendent instead relies on audit opinions provided by the independent auditors of each school district.

**Recommendation:**

The Regional Office of Education No. 14 should comply with the requirements of 105 ILCS 5/3-14.11. If the Regional Office believes the statutory mandate is obsolete or otherwise unnecessary, then it should seek legislative action to revise the statute accordingly.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2005**

**Section II: Findings Related to the Basic Financial Statements:**

**FINDING NO. 05-2 - Controls Over Compliance with Laws and Regulations (continued)**

**Management's Response:**

In 1953, there were 102 county superintendents and their duties were a lot less numerous than today. Few schools had budgets that exceeded \$500,000. Under such conditions, this law probably made sense. During the past 50+ years, various practices have evolved eliminating the need for this type of monitoring. In the 21<sup>st</sup> century, all schools have multi-million dollar budgets that are: 1.) audited annually by professionally certified outside auditing firms; 2.) audits are filed for public record & inspection; and 3.) this is tracked through the process by the procedures mentioned above in the section titled "Condition". Requiring the ROE's to do another review would be redundant, costly, and require the hiring of teams of new staff members in each ROE to carry out the task. The latter begs the question of which level(s) of government would bear the cost to carry out this task and how costly might that be to reinstitute the practice?

We are grateful for the OAG's assistance in calling this to our collective attention because it provides the Regional Offices of Education with additional justification to request that the General Assembly delete this and other obsolete sections from the statutes. We will seek a legislative solution to this and other obsolete passages.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
Year Ended June 30, 2005**

**FINDING NO. 05-1 - Inaccurate Expenditure Report**

**Condition:**

Suburban Cook County Regional Office of Education No. 14 included \$2,014 in expenses related to the 2004/2005 Truant Alternative Grant on the expenditure report for both the 2003/2004 grant and the 2004/2005 grant.

**Plan:**

The Suburban Cook County Regional Office of Education No. 14 will amend the expenditure report to accurately reflect the grant activity for the 2003/2004 grant year and has notified ISBE of the error. ISBE stated that they would reduce the 2005/2006 grant upon receipt of the audited financial statements.

**Anticipated Date of Completion:**

December 31, 2005

**Name of Contact Person:**

Honorable Robert Ingraffia, Regional Superintendent

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
Year Ended June 30, 2005**

**FINDING NO. 05-2 - Mandate Compliance**

**Condition:**

The Regional Office is not examining all books, accounts, and vouchers of every school treasurer in his educational service area at least once each year. Regional Office officials noted that they believe this mandate is outdated and that they are satisfying the intent of the statute by other reviews they undertake. For example, the Regional Superintendent signs off on the Annual Financial Reports from the school districts in his region. In addition, the Regional Office reviews any exceptions or findings in audit reports for each of the school districts. The Regional Office follows up with school districts having exceptions and gets the corrective action and forwards it to ISBE.

While these are reviews involving the finances of school treasurers, they are not in the level of detail required by 105 ILCS 5/3-14.11.

**Plan:**

In 1953, there were 102 county superintendents and their duties were a lot less numerous than today. Few schools had budgets that exceeded \$500,000. Under such conditions, this law probably made sense. During the past 50+ years, various practices have evolved eliminating the need for this type of monitoring. In the 21<sup>st</sup> century, all schools have multi-million dollar budgets that are: 1.) audited annually by professionally certified outside auditing firms; 2.) audits are filed for public record & inspection; and 3.) this is tracked through the process by the procedures mentioned above in the section titled "Condition". Requiring the ROE's to do another review would be redundant, costly, and require the hiring of teams of new staff members in each ROE to carry out the task. The latter begs the question of which level(s) of government would bear the cost to carry out this task and how costly might that be to reinstitute the practice?

We are grateful for the OAG's assistance in calling this to our collective attention because it provides the Regional Offices of Education with additional justification to request that the General Assembly delete this and other obsolete sections from the statutes. We will seek a legislative solution to this and other obsolete passages.

**Anticipated Date of Completion:**

Immediately

**Name of Contact Person:**

Honorable Robert Ingrassia, Regional Superintendent



**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**June 30, 2005**

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
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	None	
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**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2005**

Suburban Cook County Regional Office of Education No. 14 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2005. We encourage readers to consider this information in conjunction with Suburban Cook County Regional Office of Education No. 14's financial statements, which follow.

**2005 FINANCIAL HIGHLIGHTS**

- General Fund revenues decreased from \$982,079 in fiscal year 2004 to \$901,058 in fiscal year 2005, and General Fund expenditures increased from \$913,715 in fiscal year 2004 to \$968,529 in fiscal year 2005. Suburban Cook County Regional Office of Education No. 14's General Fund balance decreased from \$135,416 in fiscal year 2004 to \$67,945 in fiscal year 2005, a 50% decrease.
- The decrease in General Fund revenues was partially attributable to the financial reduction of a State grant.
- The Institute Fund revenues decreased from \$763,440 in 2004 to \$546,827 in 2005. This decrease is primarily due to a decrease in new teacher applications and registrations as a result of Chicago Public Schools reopening their Certification Office; purchase of fingerprinting equipment and additional staff hired as a result of the new recertification process, as well as the new fingerprinting mandate. Expenditures increased from \$667,201 in 2004 to \$684,968 in 2005. This increase is primarily due to the Regional Office absorbing a larger portion of hospitalization costs and giving employees a cost of living increase in pay.
- The Education Fund revenues increased from \$145,646 in 2004 to \$150,029 in 2005. This increase is primarily due to an increase in local funds supporting these programs. Expenditures increased from \$141,211 in 2004 to \$148,867 in 2005. This increase is primarily due to an increase of consultant services for the programs.

**USING THIS ANNUAL REPORT**

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of Suburban Cook County Regional Office of Education No. 14's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Suburban Cook County Regional Office of Education No. 14 as a whole and present an overall view of Suburban Cook County Regional Office of Education No. 14's finances.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2005**

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Suburban Cook County Regional Office of Education No. 14's operations in more detail than the government-wide statements by providing information about the most significant funds.

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

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

Summarized below are the major features of Suburban Cook County Regional Office of Education No. 14's financial statements, including the portion of Suburban Cook County Regional Office of Education No. 14's activities they cover and the types of information they contain.

	<u>Government-wide Statements</u>	<u>Governmental Funds</u>
Scope	Entire Suburban Cook County Regional Office of Education No. 14	The activities of Suburban Cook County Regional Office of Education, such as the General, Education and Institute Funds
Required financial statements	Statement of Net Assets Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due during the year or soon thereafter

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2005**

**REPORTING SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION  
NO. 14'S FINANCIAL ACTIVITIES**

***Government-wide Financial Statements***

The government-wide financial statements report information about Suburban Cook County Regional Office of Education No. 14 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of Suburban Cook County Regional Office of Education No. 14's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report Suburban Cook County Regional Office of Education No. 14's net assets and how they have changed. Net assets - the difference between Suburban Cook County Regional Office of Education No. 14's assets and liabilities - are one way to measure Suburban Cook County Regional Office of Education No. 14's financial health or financial position. Over time, increases or decreases in Suburban Cook County Regional Office of Education No. 14's net assets are an indicator of whether financial position is improving or deteriorating. To assess Suburban Cook County Regional Office of Education No. 14's overall health, additional non-financial factors, such as changes in Suburban Cook County Regional Office of Education No. 14's community and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, Suburban Cook County Regional Office of Education No. 14's activities are in one category:

- *Governmental activities:* All of Suburban Cook County Regional Office of Education No. 14's basic services are included here, such as grants and teacher certifications. State grants and local programs finance most of these activities.

***Fund Financial Statements***

The fund financial statements provide more detailed information about Suburban Cook County Regional Office of Education No. 14's funds, focusing on its most significant or "major" funds - not Suburban Cook County Regional Office of Education No. 14 as a whole. Funds are accounting devices Suburban Cook County Regional Office of Education No. 14 uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law. Suburban Cook County Regional Office of Education No. 14 establishes other funds to control and manage money for particular purposes, such as accounting for special revenue funds, or to show that it is properly using certain revenues, such as federal grants.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2005**

Suburban Cook County Regional Office of Education No. 14 has one kind of fund:

- *Governmental funds:* All of Suburban Cook County Regional Office of Education No. 14's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance Suburban Cook County Regional Office of Education No. 14's programs.

Suburban Cook County Regional Office of Education No. 14's governmental funds include General Fund, Institute Fund, Education Fund, Directory Fund, Bus Driver Fund, Supervisory Fund, and Fingerprinting Fund.

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

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

### **Government-Wide Financial Analysis**

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of Suburban Cook County Regional Office of Education No. 14, assets exceeded liabilities by \$137,413 as of June 30, 2005.

A portion of Suburban Cook County Regional Office of Education No. 14's net assets (22.75%) reflects its investment in capital assets (e.g., furniture and equipment), less any related debt used to acquire those assets that is still outstanding. Suburban Cook County Regional Office of Education No. 14 did not use any debt to finance the purchase of capital assets. The Government-wide statements also include \$573,710 in liabilities consisting of accounts payable, amounts due to other governments, and deferred revenue.

Suburban Cook County Regional Office of Education No. 14's financial position is the product of several financial transactions including the net results of activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2005**

The following table presents a summary of Suburban Cook County Regional Office of Education No. 14's net assets for the fiscal years ended June 30, 2005 and 2004.

	<b>Governmental Activities</b>	
	<u>2005</u>	<u>2004</u>
Current assets	\$ 679,864	\$ 826,360
Capital assets, net of accumulated depreciation	<u>31,259</u>	<u>19,236</u>
Total assets	<u>711,123</u>	<u>845,596</u>
Current liabilities	<u>573,710</u>	<u>15,275</u>
Net assets		
Invested in capital assets, net of related debt	31,259	19,236
Unrestricted	<u>106,154</u>	<u>811,085</u>
<b>Total net assets</b>	<u>\$ 137,413</u>	<u>\$ 830,321</u>

The largest portion of Suburban Cook County Regional Office of Education No. 14's net assets is cash that is to be used to finance operations.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements were \$106,154 at year end.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2005**

**Changes in net assets.** Suburban Cook County Regional Office of Education No. 14's total revenue for the fiscal year ended June 30, 2005 was \$1,237,989. The total cost of all programs and services was \$1,930,897. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2005 and 2004.

	<b>Governmental Activities</b>	
	<u>2005</u>	<u>2004</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 182,943	\$ 237,502
Operating grants and contributions	700,694	749,995
General revenues:		
Local sources	28,067	363,977
State sources	10,680	79,911
On-behalf payments	<u>315,605</u>	<u>298,495</u>
Total revenues	<u>1,237,989</u>	<u>1,729,880</u>
<b>Expenses:</b>		
Education:		
Salaries	516,160	451,106
Benefits	4,863	5,022
Purchased services	328,680	348,050
Supplies and materials	24,372	17,642
Payments to other governments	546,086	458,093
State teachers' certification board	182,943	237,502
Capital outlay	1,142	-
Depreciation expense	11,046	9,099
Administrative:		
On-behalf payments	<u>315,605</u>	<u>298,495</u>
Total expenses	<u>1,930,897</u>	<u>1,825,009</u>
Changes in net assets	(692,908)	(95,129)
Beginning net assets	<u>830,321</u>	<u>925,450</u>
<b>Ending net assets</b>	<u>\$ 137,413</u>	<u>\$ 830,321</u>

Operating grants and contributions account for 57% of the total revenue. Suburban Cook County Regional Office of Education No. 14's expenses primarily relate to education which accounts for 84% of the total expenses.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2005**

**Governmental Activities**

Revenues for governmental activities were \$1,237,989 and \$1,729,880 and expenses were \$1,930,897 and \$1,825,009 for June 30, 2005 and 2004, respectively.

The following tables present the cost of Suburban Cook County Regional Office of Education No. 14's functional governmental activities. The tables also show each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and Suburban Cook County Regional Office of Education No. 14's community by each of these functions.

**2005**

	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Education		
Salaries	\$ 516,160	\$ (483,000)
Benefits	4,863	(360)
Purchased services	328,680	(162,773)
Supplies and materials	24,372	(10,930)
Payments to other governments	546,086	(62,404)
State teachers' certification board	182,943	-
Capital outlay	1,142	(1,142)
Depreciation expense	11,046	(11,046)
Administrative		
On-behalf payments	<u>315,605</u>	<u>(315,605)</u>
<b>Total expenses</b>	<u>\$ 1,930,897</u>	<u>\$ (1,047,260)</u>

**2004**

	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Education		
Salaries	\$ 451,106	\$ (372,281)
Benefits	5,022	(136)
Purchased services	348,050	(155,712)
Supplies and materials	17,642	(4,688)
Payments to other governments	458,093	-
State teachers' certification board	237,502	-
Depreciation expense	9,099	(6,200)
Administrative		
On-behalf payments	<u>298,495</u>	<u>(298,495)</u>
<b>Total expenses</b>	<u>\$ 1,825,009</u>	<u>\$ (837,512)</u>



**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2005**

The cost of all governmental activities was \$1,930,897 and \$1,825,009 for June 30, 2005 and 2004, respectively.

Charges for services and operating grants and contributions subsidized certain governmental activities with grants and contributions and other local revenues of \$883,637 and \$987,497 for June 30, 2005 and 2004, respectively.

Net cost of governmental activities, \$1,047,260 and \$837,512 at June 30, 2005 and 2004, respectively, was financed by local and state sources that are not directly associated with the functions and objects above.

#### **INDIVIDUAL FUND ANALYSIS**

As previously noted, Suburban Cook County Regional Office of Education No. 14 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of Suburban Cook County Regional Office of Education No. 14 as a whole is reflected in its governmental funds, as well. As Suburban Cook County Regional Office of Education No. 14 completed the year, its governmental funds reported a combined fund balance of \$106,154. This is below last year's ending fund balance of \$307,937.

#### **GOVERNMENTAL FUND HIGHLIGHTS**

- Suburban Cook County Regional Office of Education No. 14's decreasing General Fund financial position is the result of less applications and registrations as a result of opening the Chicago certification office, along with increased consulting expenses.
- The Institute Fund balance decreased from \$75,919 to \$(62,222), due to purchasing new fingerprinting equipment and additional staff hired to handle fingerprinting and the new recertification process.
- The Education Fund balance increased from \$45,459 to \$46,621, due to the addition of the Scientific Learning Fund.

#### **BUDGETARY HIGHLIGHTS**

Suburban Cook County Regional Office of Education No. 14 prepares budgets for two grants including General Fund and Truant Alternative Grant. They amended the Truant Alternative Grant budget during the fiscal year.

Suburban Cook County Regional Office of Education No. 14 prepares a five year revenue budget for the Institute Fund. This budget is not presented, as it is not based on expenses and would not be a good indicator of financial position. It is used by management to prepare for expected receipts for teacher certifications and renewals.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2005**

**CAPITAL ASSETS**

As of June 30, 2005, Suburban Cook County Regional Office of Education No. 14 had invested \$31,259 in capital assets, including furniture and equipment. This amount represents a net increase prior to depreciation of \$23,069 from last year. Total depreciation expense for the year was \$11,046.

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2005.

	<u>Governmental Activities</u>
Furniture and equipment	\$ <u>31,259</u>

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2004.

	<u>Governmental Activities</u>
Furniture and equipment	\$ <u>19,236</u>

Additional information on Suburban Cook County Regional Office of Education No. 14's capital assets can be found in Note 2 on page 38 of this report.

**ECONOMIC FACTORS BEARING ON SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14'S FUTURE**

At the time these financial statements were prepared and audited, Suburban Cook County Regional Office of Education No. 14 was aware of several existing circumstances that could significantly affect its financial health in the future:

There are continuing mandates coming from Springfield without funding and a continual reduction of our operational funds each year. The Cook County Board continually refuses to honor any of our yearly budget requests.

**CONTACTING SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14'S FINANCIAL MANAGEMENT**

This financial report is designed to provide Suburban Cook County Regional Office of Education No. 14's citizens, taxpayers, customers, and creditors with a general overview of Suburban Cook County Regional Office of Education No. 14's finances and to demonstrate Suburban Cook County Regional Office of Education No. 14's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Suburban Cook County Regional Office of Education No. 14, 10110 Gladstone Street, Westchester, Illinois 60154-2618.

## **BASIC FINANCIAL STATEMENTS**

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**STATEMENT OF NET ASSETS**  
**June 30, 2005**

	<u>Primary Government Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 459,011
Investments	205,837
Prepaid expenses	15,016
Total current assets	679,864
Noncurrent assets:	
Capital assets, being depreciated, net	31,259
Total assets	711,123
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	38,929
Due to other governments	2,014
Deferred revenue	532,767
Total liabilities	573,710
<b>NET ASSETS</b>	
Investment in capital assets, net of related debt	31,259
Unrestricted	106,154
Total net assets	\$ 137,413

These financial statements should be read only in connection with the accompanying independent auditor's report, summary of significant accounting policies, and notes to financial statements.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2005**

**EXHIBIT B**

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Assets Primary Governmental Activities</u>
Primary government:					
Governmental activities:					
Education:					
Salaries	\$ 516,160	\$ -	\$ 33,160	\$ 33,160	\$ (483,000)
Benefits	4,863	-	4,503	4,503	(360)
Purchased services	328,680	-	165,907	165,907	(162,773)
Supplies and materials	24,372	-	13,442	13,442	(10,930)
Payments to other governments	546,086	-	483,682	483,682	(62,404)
Capital outlay	1,142	-	-	-	(1,142)
State teachers' certification board	182,943	182,943	-	-	-
Depreciation expense	11,046	-	-	-	(11,046)
Administrative:					
On-behalf payments	315,605	-	-	-	(315,605)
<b>Total primary government</b>	<u>\$ 1,930,897</u>	<u>\$ 182,943</u>	<u>\$ 700,694</u>	<u>\$ 700,694</u>	<u>(1,047,260)</u>
General revenues:					
Local sources					22,341
State sources					10,680
Investment earnings					5,726
On-behalf payments					315,605
Total general revenues					<u>354,352</u>
<b>CHANGES IN NET ASSETS</b>					<u>(692,908)</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>					<u>830,321</u>
<b>NET ASSETS, END OF YEAR</b>					<u>\$ 137,413</u>

These financial statements should be read only in connection with the accompanying independent auditor's report, summary of significant accounting policies, and notes to financial statements.

SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2005

EXHIBIT C

	General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 52,929	\$ 272,156	\$ 80,116	\$ 53,810	\$ 459,011
Investments	-	198,389	7,448	-	205,837
Prepaid expenses	15,016	-	-	-	15,016
<b>TOTAL ASSETS</b>	<b>\$ 67,945</b>	<b>\$ 470,545</b>	<b>\$ 87,564</b>	<b>\$ 53,810</b>	<b>\$ 679,864</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 38,929	\$ -	\$ 38,929
Due to other governments	-	-	2,014	-	2,014
Deferred revenue	-	532,767	-	-	532,767
Total liabilities	-	532,767	40,943	-	573,710
<b>FUND BALANCES (DEFICITS)</b>					
Unreserved, reported in:					
General fund	67,945	-	-	-	67,945
Special revenue funds	-	(62,222)	46,621	53,810	38,209
Total fund balances (deficits)	67,945	(62,222)	46,621	53,810	106,154
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 67,945</b>	<b>\$ 470,545</b>	<b>\$ 87,564</b>	<b>\$ 53,810</b>	<b>\$ 679,864</b>

These financial statements should be read only in connection with the accompanying independent auditor's report, summary of significant accounting policies, and notes to financial statements.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
June 30, 2005**

<b>Total fund balances (deficits) - governmental funds (page 27)</b>	\$ 106,154
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>	<p style="border-top: 1px solid black;">31,259</p>
<b>Net assets of governmental activities (page 26)</b>	<p style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 137,413</p>

These financial statements should be read only in connection with the  
accompanying independent auditor's report, summary of significant  
accounting policies, and notes to financial statements.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
 Year Ended June 30, 2005

**EXHIBIT E**

	General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
<b>REVENUES:</b>					
Local sources	\$ 7,141	\$ 546,827	\$ 27,647	\$ 132,543	\$ 714,158
State sources	578,312	-	122,382	10,680	711,374
On-behalf payments	315,605	-	-	-	315,605
Total revenues	901,058	546,827	150,029	143,223	1,741,137
<b>EXPENDITURES:</b>					
Current:					
Education:					
Salaries	23,463	405,161	12,422	75,114	516,160
Benefits	3,102	-	1,761	-	4,863
Purchased services	77,379	64,929	122,274	64,098	328,680
Supplies and materials	2,894	7,724	12,410	1,344	24,372
Payments to other governments	546,086	-	-	-	546,086
Capital outlay	-	24,211	-	-	24,211
State teachers' certification board	-	182,943	-	-	182,943
Administrative:					
On-behalf payments	315,605	-	-	-	315,605
Total expenditures	968,529	684,968	148,867	140,556	1,942,920
<b>NET CHANGE IN FUND BALANCES</b>	(67,471)	(138,141)	1,162	2,667	(201,783)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	135,416	75,919	45,459	51,143	307,937
<b>FUND BALANCES (DEFICITS), END OF YEAR</b>	\$ 67,945	\$ (62,222)	\$ 46,621	\$ 53,810	\$ 106,154

These financial statements should be read only in connection with the accompanying independent auditor's report, summary of significant accounting policies, and notes to financial statements.



**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2005**

**Net change in fund balances (page 29)** \$ (201,783)

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 the cost of those assets is allocated  
over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 23,069	
Depreciation expense	<u>(11,046)</u>	12,023

Revenues that were previously recognized in the Statement of Activities were recognized in the funds during the current year.	<u>(503,148)</u>
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**Change in net assets of governmental activities (page 26)** \$ (692,908)

These financial statements should be read only in connection with the  
accompanying independent auditor's report, summary of significant  
accounting policies, and notes to financial statements.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**June 30, 2005**

The Suburban Cook County Regional Office of Education No. 14 was created to develop and maintain educational services for the school districts in Cook County, Illinois. The Suburban Cook County Regional Office of Education No. 14 services 697 public schools and 143 districts within the county (exclusive of District 299).

The functions of the Suburban Cook County Regional Office of Education No. 14 include, but are not limited to the following:

- Processing teachers' certificates
- Teaching initial and refresher classes for school bus drivers within Suburban Cook County Regional Office of Education No. 14
- Review life/safety requirements for schools in conjunction with the State of Illinois
- Issuing newsletters regarding new Illinois life/safety requirements
- Monitoring compliance with State laws and Department of Education policies and procedures

Suburban Cook County Regional Office of Education No. 14 has no distributive fund since the State of Illinois maintains responsibility for the function of distributing state and federal aid to individual school districts.

The State of Illinois also maintains responsibility for the GED program, therefore, there is no GED fund.

The financial statements of the Suburban Cook County Regional Office of Education No. 14 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The following is a summary of the significant accounting policies:

#### **REPORTING ENTITY**

For financial reporting purposes, Suburban Cook County Regional Office of Education No. 14 has included all funds, organizations, agencies, boards, commissions and authorities. Suburban Cook County Regional Office of Education No. 14 has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with Suburban Cook County Regional Office of Education No. 14 are such that exclusion would cause Suburban Cook County Regional Office of Education No. 14's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of Suburban Cook County Regional Office of Education No. 14 to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on Suburban Cook County Regional Office of Education No. 14. Suburban Cook County Regional Office of Education No. 14 has no component units which meet the Governmental Accounting Standards Board criteria.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**June 30, 2005**

**BASIS OF PRESENTATION**

**Government-wide Financial Statements** - The Statement of Net Assets and the Statement of Activities report information on all of the activities of Suburban Cook County Regional Office of Education No. 14. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by intergovernmental and local revenues.

The Statement of Net Assets presents Suburban Cook County Regional Office of Education No. 14's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

*Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for any debt attributable to the acquisition, construction or improvement of those assets.

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

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

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

**Fund Financial Statements** - Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

Suburban Cook County Regional Office of Education No. 14 reports the following major governmental funds:

The General Fund is the operating fund of the Suburban Cook County Regional Office of Education No. 14. The General Fund accounts for all financial resources except those required to be accounted for in another fund.

The Institute Fund accounts for registration and renewal fees related to teachers' certificates. Funds collected from registration and renewal fees are expended to defray the costs incidental to teachers' institutes, conferences, and workshops.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**June 30, 2005**

**BASIS OF PRESENTATION (CONTINUED)**

Education Fund - Accounts for grant funds which are restricted as to their use except for those accounted for in the Supervisory Fund. Restricted grant funds include:

Title II - Eisenhower - Leadership Grant - to account for grant monies received for, and payment of, expenditures incurred in providing workshops.

Special Appropriation Grant - to account for grant monies received to supplement general operations of the office.

Substance Abuse and Violence Prevention Grant - to account for monies received for, and payment of, expenditures incurred in facilitating the Substance Abuse and Violence Prevention program.

Truant Alternative Grant - to account for grant monies received for, and payment of, expenditures incurred for after school programs to avoid truant behavior in children.

Cook County Learning Technology Center - to account for monies received for, and payment of, expenditures incurred to support technology applications throughout the Districts served.

Lehman Scholarships - to account for monies received for, and payment of, expenditures incurred in providing scholarships.

Scientific Learning - to account for monies received for, and payment of, expenditures for scientific learning.

Building Survey - to account for monies received for, and payment of, expenditures to conduct a pilot of ISBE web based school facility inventory.

Other - to account for monies received for, and payment of, expenditures for other education operations.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**June 30, 2005**

**BASIS OF PRESENTATION (CONTINUED)**

Suburban Cook County Regional Office of Education No. 14 reports the following nonmajor governmental funds:

Directory - Accounts for sales proceeds and costs of producing directories of all school buildings within the Suburban Cook County Regional Office of Education No. 14's jurisdiction.

Bus Driver - Accounts for school bus drivers' permit fees which may be expended for school bus drivers' refresher courses.

Supervisory - Accounts for State funding used to pay expenses for supervision of school districts within the Suburban Cook County Regional Office of Education No. 14's jurisdiction.

Fingerprinting - Accounts for reimbursement from school districts to pay expenses of providing fingerprinting services.

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

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

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by Suburban Cook County Regional Office of Education No. 14.

Suburban Cook County Regional Office of Education No. 14 records on-behalf payments made by the State to the Teachers' Retirement System as revenue and expenditures.

Suburban Cook County Regional Office of Education No. 14 recognizes teacher certificate registration fees for school years ending after June 30, 2005 as deferred revenue.

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

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**June 30, 2005**

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)**

Under the terms of grant agreements, Suburban Cook County Regional Office of Education No. 14 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is Suburban Cook County Regional Office of Education No. 14's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

Suburban Cook County Regional Office of Education No. 14 maintains its financial records on the cash basis. The financial statements of Suburban Cook County Regional Office of Education No. 14 are prepared by making memorandum adjusting entries to the cash basis financial records.

**ASSETS, LIABILITIES AND FUND EQUITY**

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

Cash and investments - The cash and investment balances of Suburban Cook County Regional Office of Education No. 14 are valued at cost.

Capital assets - Capital assets, which include property, furniture and equipment, are reported in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by Suburban Cook County Regional Office of Education No. 14 as assets with an initial, individual cost in excess of \$500 and estimated useful lives in excess of two years. Capital assets are depreciated using the straight line method over 5-10 years.

Deferred revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the revenue is not earned until a future period. Deferred revenue consists of teacher certificate registration fees for school years ending after June 30, 2005.

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

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**June 30, 2005**

**ASSETS, LIABILITIES AND FUND EQUITY (CONTINUED)**

Restricted net assets - In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

**BUDGETS AND BUDGETARY ACCOUNTING**

The budgetary comparison and related disclosures are reported as supplementary information.

Suburban Cook County Regional Office of Education No. 14 did not formally adopt a budget for the year ended June 30, 2005 and is not legally required to do so. The Illinois State Board of Education requires budgets for certain State programs. These budgets were used to prepare statements of revenues, expenditures, and changes in fund balance - budget and actual for the following programs: General Fund and Truant Alternative Grant.

This information is an integral part of the accompanying financial statements.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2005**

**NOTE 1 - CASH AND INVESTMENTS**

The deposit and investment of monies is governed by the provisions of the Illinois Compiled Statutes.

A. Deposits

At June 30, 2005, the carrying amount of the deposits was \$459,011 (net of overdrafts) and the bank balance was \$458,632.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, Suburban Cook County Regional Office of Education No. 14's deposits may not be returned. Suburban Cook County Regional Office of Education No. 14 does not have a deposit policy for custodial credit risk. As of June 30, 2005, all of Suburban Cook County Regional Office of Education No. 14's deposits were either covered by FDIC insurance or covered by collateral held by the financial institution in Suburban Cook County Regional Office of Education No. 14's name.

B. Investments

Suburban Cook County Regional Office of Education No. 14 invests primarily in certificates of deposit with original maturities greater than three months from the date of acquisition. The investments of Suburban Cook County Regional Office of Education No. 14 monies are governed by the provisions of the Illinois Compiled Statutes.

Interest Rate Risk - Suburban Cook County Regional Office of Education No. 14 does not have a formal investment policy that limits maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk and Concentration of Credit Risk - Suburban Cook County Regional Office of Education No. 14 does not have a formal investment policy that would limit its investment choices or would limit the amount Suburban Cook County Regional Office of Education No. 14 may invest in one issuer.

At June 30, 2005, investments included the following:

	<u>Morningstar Rating</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Institute Fund			
Certificates of Deposit	Unrated	\$ 198,389	\$ 198,389
Other Nonmajor Funds			
Lehman Scholarships			
Certificates of Deposit	Unrated	<u>7,448</u>	<u>7,448</u>
<b>Total investments</b>		<u>\$ 205,837</u>	<u>\$ 205,837</u>



**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2005**

**NOTE 2 - CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2005 is as follows:

	<b>Balance June 30, 2004</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2005</b>
Governmental activities:				
Furniture and equipment	\$ 49,315	\$ 23,069	\$ -	\$ 72,384
Less accumulated depreciation	30,079	11,046	-	41,125
<b>Total capital assets, net</b>	<b>\$ 19,236</b>	<b>\$ 12,023</b>	<b>\$ -</b>	<b>\$ 31,259</b>

Depreciation expense was charged as follows:

Governmental activities:

Education:

Depreciation expense \$ 11,046

**NOTE 3 - DUE TO OTHER GOVERNMENTS**

The detail of balances that are due to other governments at June 30, 2005 is as follows:

Education Fund

Truant Alternative Grant

Due to Illinois State Board of Education \$ 2,014

**NOTE 4 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

Generally accepted accounting principles require disclosure as part of the combined financial statements of certain information concerning individual funds as follows:

The following funds had deficit fund balances at June 30, 2005. The deficits will be covered by normal operations or fund transfers.

Institute Fund	\$ 62,222
Education Fund	
Title II - Eisenhower - Leadership Grant	444
Truant Alternative Grant	290
Building Survey	94
Other Nonmajor Funds	
Supervisory	2,002

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2005**

**NOTE 5 - ON-BEHALF PAYMENTS**

Salaries of the Regional Superintendent and his two assistants are paid by the State of Illinois. The State of Illinois and the respective employees also pay pension plan contributions associated with these salaries. The Suburban Cook County Regional Office of Education No. 14 pays all other salaries.

On-behalf payments are as follows:

Regional Superintendent - salary	\$ 90,712
Regional Superintendent - benefits	9,561
Assistant Regional Superintendents - salaries	194,258
Assistant Regional Superintendents - benefits	<u>21,074</u>
<b>Total on-behalf payments</b>	<b><u>\$ 315,605</u></b>

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education.

**NOTE 6 - RISK MANAGEMENT**

Suburban Cook County Regional Office of Education No. 14 is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. Suburban Cook County Regional Office of Education No. 14 assumes liability for any deductibles and claims in excess of coverage limitations. There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the year.

**NOTE 7 - NEW PRONOUNCEMENT**

Suburban Cook County Regional Office of Education No. 14 adopted Governmental Accounting Standards Board (GASB) Statement No. 40, Deposit and Investment Disclosures, during the year ended June 30, 2005. This statement establishes and modifies disclosure requirements related to investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. As an element of interest rate risk, this statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. This statement also establishes and modifies disclosure requirements for deposit risks.

This information is an integral part of the accompanying financial statements.

**OTHER SUPPLEMENTAL INFORMATION**

STATEMENT 1

SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND  
 June 30, 2005

	ROE Operations	Other General	Total
<b>ASSETS</b>			
Cash	\$ 52,929	\$ -	\$ 52,929
Prepaid expenses	15,016	-	15,016
<b>TOTAL ASSETS</b>	<b>\$ 67,945</b>	<b>\$ -</b>	<b>\$ 67,945</b>

**LIABILITIES AND FUND BALANCES**

<b>LIABILITIES</b>			
None	\$ -	\$ -	\$ -
<b>FUND BALANCES</b>			
Unreserved	67,945	-	67,945
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 67,945</b>	<b>\$ -</b>	<b>\$ 67,945</b>

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GENERAL FUND**  
**Year Ended June 30, 2005**

	<u>ROE</u> <u>Operations</u>	<u>Other</u> <u>General</u>	<u>Total</u>
<b>REVENUES:</b>			
Local sources	\$ 1,560	\$ 5,581	\$ 7,141
State sources	578,312	-	578,312
On-behalf payments	315,605	-	315,605
	<u>895,477</u>	<u>5,581</u>	<u>901,058</u>
<b>EXPENDITURES:</b>			
Current:			
Education:			
Salaries	22,000	1,463	23,463
Benefits	3,102	-	3,102
Purchased services	55,994	21,385	77,379
Supplies and materials	2,029	865	2,894
Payments to other governments	495,187	50,899	546,086
On-behalf payments	315,605	-	315,605
	<u>893,917</u>	<u>74,612</u>	<u>968,529</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,560	(69,031)	(67,471)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>66,385</u>	<u>69,031</u>	<u>135,416</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 67,945</u>	<u>\$ -</u>	<u>\$ 67,945</u>

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**Year Ended June 30, 2005**

**STATEMENT 3**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable (Unfavorable)
<b>REVENUES:</b>				
Local sources	\$ -	\$ -	\$ 7,141	\$ 7,141
State sources	578,312	578,312	578,312	-
On-behalf payments	-	-	315,605	315,605
Total revenues	578,312	578,312	901,058	322,746

**EXPENDITURES:**

Current:				
Education:				
Salaries	38,500	20,000	23,463	(3,463)
Benefits	5,000	6,500	3,102	3,398
Purchased services	37,625	53,625	77,379	(23,754)
Supplies and materials	1,000	2,000	2,894	(894)
Payments to other governments	495,187	495,187	546,086	(50,899)
Capital outlay	1,000	1,000	-	1,000
On-behalf payments	-	-	315,605	(315,605)
Total expenditures	578,312	578,312	968,529	(390,217)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(67,471)	(67,471)

**FUND BALANCE, BEGINNING OF YEAR**

	135,416	135,416	135,416	-
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**FUND BALANCE, END OF YEAR**

	\$ 135,416	\$ 135,416	\$ 67,945	\$ (67,471)
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STATEMENT 4

SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 June 30, 2005

	Title II - Eisenhower - Leadership Grant	Special Appropriation Grant	Substance Abuse and Violence Prevention Grant
<b>ASSETS</b>			
Cash (overdraft)	\$ (444)	\$ 5,437	\$ 19,670
Investments	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ (444)</u>	<u>\$ 5,437</u>	<u>\$ 19,670</u>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other governments	-	-	-
Total liabilities	-	-	-
<b>FUND BALANCE (DEFICIT)</b>			
Fund balance (deficit), unreserved and undesignated	<u>(444)</u>	<u>5,437</u>	<u>19,670</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<u>\$ (444)</u>	<u>\$ 5,437</u>	<u>\$ 19,670</u>

STATEMENT 4  
(CONTINUED)

SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2005

	Truant Alternative Grant	Cook County Learning Technology Center	Lehman Scholarships	Scientific Learning
<b>ASSETS</b>				
Cash (overdraft)	\$ 40,653	\$ 4,159	\$ 6,624	\$ 1,540
Investments	-	-	7,448	-
<b>TOTAL ASSETS</b>	<u>\$ 40,653</u>	<u>\$ 4,159</u>	<u>\$ 14,072</u>	<u>\$ 1,540</u>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 38,929	\$ -	\$ -	\$ -
Due to other governments	2,014	-	-	-
Total liabilities	<u>40,943</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT)</b>				
Fund balance (deficit), unreserved and undesignated	<u>(290)</u>	<u>4,159</u>	<u>14,072</u>	<u>1,540</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<u>\$ 40,653</u>	<u>\$ 4,159</u>	<u>\$ 14,072</u>	<u>\$ 1,540</u>



STATEMENT 4  
(CONTINUED)

SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2005

	Building Survey	Other	Total
<b>ASSETS</b>			
Cash (overdraft)	\$ (94)	\$ 2,571	\$ 80,116
Investments	-	-	7,448
<b>TOTAL ASSETS</b>	<u>\$ (94)</u>	<u>\$ 2,571</u>	<u>\$ 87,564</u>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>			
<b>LIABILITIES</b>			
Accounts payable	-	-	\$ 38,929
Due to other governments	-	-	2,014
Total liabilities	-	-	40,943
<b>FUND BALANCE (DEFICIT)</b>		<u>2,571</u>	<u>46,621</u>
Fund balance (deficit), unreserved and undesignated	(94)		
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<u>\$ (94)</u>	<u>\$ 2,571</u>	<u>\$ 87,564</u>

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2005**

	Title II - Eisenhower - Leadership Grant	Special Appropriation Grant	Substance Abuse and Violence Prevention Grant
<b>REVENUES:</b>			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>			
Current:			
Education:			
Salaries	-	-	-
Benefits	-	-	-
Purchased services	-	-	-
Supplies and materials	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	-	-	-
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	<u>(444)</u>	<u>5,437</u>	<u>19,670</u>
<b>FUND BALANCE (DEFICIT), RESERVED, END OF YEAR</b>	<u>\$ (444)</u>	<u>\$ 5,437</u>	<u>\$ 19,670</u>

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
Year Ended June 30, 2005**

	<u>Truant Alternative Grant</u>	<u>Cook County Learning Technology Center</u>	<u>Lehman Scholarships</u>	<u>Scientific Learning</u>
<b>REVENUES:</b>				
Local sources	\$ 106	\$ -	\$ 2,776	\$ 24,765
State sources	122,382	-	-	-
Total revenues	<u>122,488</u>	<u>-</u>	<u>2,776</u>	<u>24,765</u>
<b>EXPENDITURES:</b>				
Current:				
Education:				
Salaries	12,422	-	-	-
Benefits	1,761	-	-	-
Purchased services	97,718	728	1,104	22,695
Supplies and materials	10,919	685	276	530
Total expenditures	<u>122,820</u>	<u>1,413</u>	<u>1,380</u>	<u>23,225</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	(332)	(1,413)	1,396	1,540
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	<u>42</u>	<u>5,572</u>	<u>12,676</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT), RESERVED, END OF YEAR</b>	<u>\$ (290)</u>	<u>\$ 4,159</u>	<u>\$ 14,072</u>	<u>\$ 1,540</u>

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
Year Ended June 30, 2005**

	<b>Building Survey</b>	<b>Other</b>	<b>Total</b>
<b>REVENUES:</b>			
Local sources	\$ -	\$ -	\$ 27,647
State sources	-	-	122,382
Total revenues	-	-	150,029
<b>EXPENDITURES:</b>			
Current:			
Education:			
Salaries	-	-	12,422
Benefits	-	-	1,761
Purchased services	-	29	122,274
Supplies and materials	-	-	12,410
Total expenditures	-	29	148,867
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	-	(29)	1,162
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	(94)	2,600	45,459
<b>FUND BALANCE (DEFICIT), RESERVED, END OF YEAR</b>	\$ (94)	\$ 2,571	\$ 46,621

STATEMENT 6

SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 TRUANT ALTERNATIVE GRANT  
 Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Local sources	\$ -	-	\$ 106	\$ 106
State sources	122,382	122,382	122,382	-
Total revenues	<u>122,382</u>	<u>122,382</u>	<u>122,488</u>	<u>106</u>
<b>EXPENDITURES:</b>				
Current:				
Education:				
Salaries	14,300	12,400	12,422	(22)
Benefits	1,806	1,506	1,761	(255)
Purchased services	96,276	98,476	97,718	758
Supplies and materials	10,000	10,000	10,919	(919)
Total expenditures	<u>122,382</u>	<u>122,382</u>	<u>122,820</u>	<u>(438)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(332)	(332)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	42	42	42	-
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ (290)</u>	<u>\$ (332)</u>

SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 June 30, 2005

	<u>Directory</u>	<u>Bus Driver</u>	<u>Supervisory</u>	<u>Fingerprinting</u>	<u>Total</u>
<b>ASSETS</b>					
Cash (overdraft)	\$ 15,531	\$ 15,429	\$ (2,002)	\$ 24,852	\$ 53,810
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>					
<b>LIABILITIES</b>					
None	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCES (DEFICIT)</b>					
Unreserved	15,531	15,429	(2,002)	24,852	53,810
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>					
	\$ 15,531	\$ 15,429	\$ (2,002)	\$ 24,852	\$ 53,810

STATEMENT 8

SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
 Year Ended June 30, 2005

	Directory	Bus Driver	Supervisory	Fingerprinting	Total
<b>REVENUES:</b>					
Local sources	\$ 36,443	\$ 54,557	\$ 50	\$ 41,493	\$ 132,543
State sources	-	9,680	1,000	-	10,680
Total revenues	<u>36,443</u>	<u>64,237</u>	<u>1,050</u>	<u>41,493</u>	<u>143,223</u>
<b>EXPENDITURES:</b>					
Current:					
Education:					
Salaries	31,614	43,500	-	-	75,114
Purchased services	10,461	36,071	994	16,572	64,098
Supplies and materials	41	1,114	120	69	1,344
Total expenditures	<u>42,116</u>	<u>80,685</u>	<u>1,114</u>	<u>16,641</u>	<u>140,556</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	(5,673)	(16,448)	(64)	24,852	2,667
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	21,204	31,877	(1,938)	-	51,143
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ 15,531</u>	<u>\$ 15,429</u>	<u>\$ (2,002)</u>	<u>\$ 24,852</u>	<u>\$ 53,810</u>