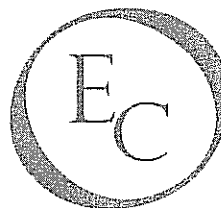


**STATE OF ILLINOIS
DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19**

**FINANCIAL AUDIT
(In Accordance with the Single Audit Act and OMB Circular A-133)
FOR THE YEAR ENDED JUNE 30, 2008**

Performed as Special Assistant Auditors
For the Auditor General, State of Illinois



E.C. ORTIZ & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

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DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

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DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

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**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
OFFICIALS**

Regional Superintendent
(current and during the audit period)

Dr. Darlene Ruscitti

Assistant Regional Superintendent
(during the audit period)

Dr. Thomas Bookler

Assistant Regional Superintendent
(July 1, 2008 to present)

Mr. John Glimco

Office is located at:

421 North County Farm Road
Wheaton, Illinois 60187

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMPLIANCE REPORT SUMMARY**

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

AUDITORS' REPORTS

The auditors' reports on compliance and on internal controls 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	1	3
Repeated audit findings	—	—
Prior recommendations implemented or not repeated	3	1

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>	<u>Finding Type</u>
<i>FINDINGS (GOVERNMENT AUDITING STANDARDS)</i>			
08-1	12	Failure to Apply Appropriate Accounting Principles	Significant Deficiency and Noncompliance
<i>FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)</i>			
	14	None	N/A
<i>PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)</i>			
07-1	16	Bank Reconciliations Not Completed Properly and Timely	N/A
07-2	16	Inadequate Monitoring of Collateral on Deposits	N/A
07-3	16	Controls Over Property Records and Transactions	N/A
<i>PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)</i>			
		None	N/A

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMPLIANCE REPORT SUMMARY - CONTINUED**

EXIT CONFERENCE

The DuPage County Regional Office of Education No. 19 opted not to have an exit conference during the financial audit for the year ended June 30, 2008. Response to the recommendation was provided by Dr. Darlene Ruscitti, Regional Superintendent in a letter dated January 26, 2009.

FINANCIAL STATEMENT REPORT

A financial statement audit consists of an audit of an agency's financial statements, including an examination of the underlying books and records, to determine whether those financial statements are fairly presented in accordance with generally accepted accounting principles.

The financial statement report is comprised of the following:

A Summary section providing a brief overview of the financial statement audit.

- An Auditors' Report section containing statements by the auditors on the scope and results of their audit, as required by applicable professional standards.
- A Findings & Recommendations section containing sequentially numbered findings in which the auditors note any instances of nonconformity by the agency with applicable laws, rules, regulations, grant agreements, and other standards governing its conduct that were found by the auditors in the course of their review. All findings are discussed with the agency officials during the post audit process.

Each finding generally contains: a description of the condition found; a recommendation by the auditors for corrective action; a response by the agency either accepting or rejecting the auditors' finding; and a description of the agency's plan for addressing the problem.

- A Financial Statement section generally consisting of:
 - Management's discussion and analysis (MD&A) as required supplementary information;
 - Basic financial statements (entity-wide financial statements, fund financial statements, and notes to the financial statements);
 - Required supplementary information other than MD&A.

Additional financial statements may be presented for agencies with special reporting requirements.

Financial Presentation Examined

Auditors' Reports

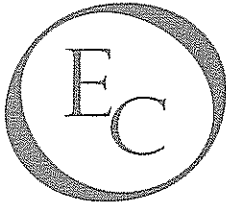
Findings and Recommendations

Financial Statements

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the DuPage County Regional Office of Education No. 19 was performed by E. C. Ortiz & Co., LLP.

Based on their audit, the auditors expressed an unqualified opinion on the DuPage County Regional Office of Education No. 19's basic financial statements.



E.C. ORTIZ & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DuPage County Regional Office of Education No. 19, as of and for the year ended June 30, 2008, which collectively comprise the DuPage County Regional Office of Education No. 19's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the DuPage County Regional Office of Education No. 19'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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DuPage County Regional Office of Education No. 19, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 23, 2009 on our consideration of the DuPage County Regional Office of Education No. 19'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

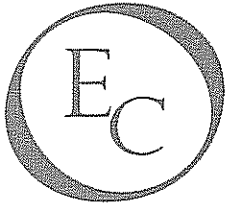
with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 17 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 DuPage County Regional Office of Education No. 19'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. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

E. C. Ortiz & Co., LLP

Chicago, Illinois
April 23, 2009



E.C. ORTIZ & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

**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, the business-type activities, each major fund, and the aggregate remaining fund information of the DuPage County Regional Office of Education No. 19, as of and for the year ended June 30, 2008, which collectively comprise the DuPage County Regional Office of Education No. 19's basic financial statements and have issued our report thereon dated April 23, 2009. 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 DuPage County Regional Office of Education No. 19's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the DuPage County Regional Office of Education No. 19's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the DuPage County Regional Office of Education No. 19's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying Schedule of

Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting, 08-1.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies, and accordingly, would not necessarily disclose all significant deficiencies that are also considered material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

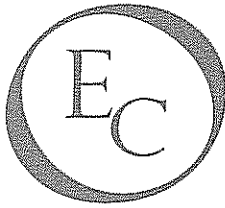
As part of obtaining reasonable assurance about whether the DuPage County Regional Office of Education No. 19's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item, 08-1.

The DuPage County Regional Office of Education No. 19's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the DuPage County Regional Office of Education No. 19's response and, accordingly, we express no opinion on it.

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

E. C. Ortiz & Co., LLP

Chicago, Illinois
April 23, 2009



E.C. ORTIZ & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the compliance of the DuPage County Regional Office of Education No. 19 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The DuPage County Regional Office of Education No. 19's major federal programs are identified in the Summary of the Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the DuPage County Regional Office of Education No. 19's management. Our responsibility is to express an opinion on the DuPage County Regional Office of Education No. 19's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the DuPage County Regional Office of Education No. 19's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the DuPage County Regional Office of Education No. 19's compliance with those requirements.

In our opinion, the DuPage County Regional Office of Education No. 19 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the DuPage County Regional Office of Education No. 19 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the DuPage County Regional Office of Education No. 19's 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 for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the DuPage County Regional Office of Education No. 19's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. *A significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

E. C. Ortiz & Co., LLP

Chicago, Illinois
April 23, 2009

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008**

Part I: Summary of the Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes ✓ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ✓ Yes None reported
- Noncompliance material to financial statements noted? ✓ Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes ✓ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes ✓ None reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? Yes ✓ No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Programs or Cluster</u>
84.367A	Title II - Teacher Quality
84.367A	Title II - Teacher Quality - Leadership Grant
84.010A	Title I - School Improvement and Accountability
84.010A	Standards Aligned Classroom

Dollar threshold used to distinguish between type A and type B Programs: \$300,000

Auditee qualified as low-risk auditee? ✓ Yes No

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008**

Part II: Findings Related to the Basic Financial Statements

FINDING NO. 08-1 - Failure to Apply Appropriate Accounting Principles

Criteria/Specific Requirement:

Generally accepted accounting principles (GAAP) require that a lease be capitalized if any one of following four criteria is a characteristic of the lease transaction: (1) the lease transfers ownership of the property to the lessee by the end of the lease term, (2) the lease contains bargain purchase options, (3) the lease term is equal to 75% or more of the estimated economic life of the leased property, or (4) the present value of the minimum lease payments at the inception of the lease, excluding executory costs, equals at least 90% of the fair value of the leased property. Capital leases are treated as an acquisition of assets and the incurrence of obligations by the lessee.

The Illinois Administrative Code (74 Ill. Adm. 420.320 (c) (1) and (2)) requires that each Regional Office of Education (ROE) maintain the accounting records necessary to prepare financial statements in accordance with generally accepted accounting principles. In addition, Appendix B. Fixed Asset Accounting of the *Illinois Program Accounting Manual (IPAM)* and GAAP also require that capital assets be reported based on the invoiced cost plus any applicable transportation and installation charges necessary to make the capital asset ready for its intended use.

Condition:

DuPage County Regional Office of Education No. 19 (ROE No. 19) did not properly record certain lease transactions and capital asset acquisitions, and as a result, did not properly apply the appropriate GAAP.

- Payments on leases were improperly treated as operating leases and recorded as purchased services. The leases met two of the criteria requiring them to be capitalized: the lease terms of the equipment were equal to the estimated economic lives of the equipment, and the present values of the minimum lease payments at the inception of the leases were more than 90% of the fair value of the equipment (\$44,519). As of June 30, 2008, the total net book value of the leased equipment and the present value of the related lease payable were \$89,755 and \$92,550, respectively.
- Installation and shipping costs totaling \$40,250 for the purchase of computers were recorded as purchased services instead of being recorded as a capitalized cost of the equipment.

The ROE No. 19 subsequently revised its financial statements to include the required adjustments and disclosures necessary to apply the appropriate GAAP.

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008**

Part II: Findings Related to the Basic Financial Statements (Continued)

FINDING NO. 08-1 - Failure to Apply Appropriate Accounting Principles (Continued)

Effect:

Failure to use the applicable GAAP may result in inaccurate and incomplete financial statements. In addition, transactions were not recorded in accordance with the Illinois Program Accounting Manual and ROE Accounting Manual. Financial reports prepared by the ROE required additional analysis in order to be comparable and consistent with reporting requirements and GAAP.

Cause:

According to the ROE No. 19's management, the ROE generally does not keep the equipment items through the end of the lease term and therefore, considered the recording of the lease transactions as operating expenses proper.

The installation costs of the equipment were erroneously recorded as purchased services instead of capitalized cost due to oversight.

Auditors' Recommendation:

We recommend the ROE No. 19 establish procedures to ensure lease transactions and capital asset acquisitions are properly accounted for and reported in accordance with GAAP. If necessary, accounting and reporting guidance should be obtained from technical resources to be in conformity with GAAP. Further, transactions should be carefully reviewed for proper accounting and recognition as required by the Illinois Administrative Code and the ROE Accounting Manual.

Management's Response:

We agree with the finding. The ROE will hold a workshop for the Finance Department of the ROE No. 19 regarding the proper accounting principles to follow. This will be to accomplish both placement of the purchase, shipping and installation costs in the appropriate category and to ensure that this is also properly recorded in the ROE No. 19's inventory records. It will be noted as leased equipment in this inventory record.

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008**

Part III: Federal Award Findings

INSTANCES OF NONCOMPLIANCE:

None

SIGNIFICANT DEFICIENCIES:

None

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
JUNE 30, 2008**

FINDING NO. 08-1 - Failure to Apply Appropriate Accounting Principles

Condition:

DuPage County Regional Office of Education No. 19 (ROE No. 19) did not properly record certain lease transactions and capital asset acquisitions, and as a result, did not properly apply the appropriate generally accepted accounting principles (GAAP).

- Payments on leases were improperly treated as operating leases and recorded as purchased services. The leases met two of the criteria requiring them to be capitalized: the lease terms of the equipment were equal to the estimated economic lives of the equipment, and the present values of the minimum lease payments at the inception of the leases were more than 90% of the fair value of the equipment (\$44,519). As of June 30, 2008, the total net book value of the leased equipment and the present value of the related lease payable were \$89,755 and \$92,550, respectively.
- Installation and shipping costs totaling \$40,250 for the purchase of computers were recorded as purchased services instead of being recorded as a capitalized cost of the equipment.

The ROE No. 19 subsequently revised its financial statements to include the required adjustments and disclosures necessary to apply the appropriate GAAP.

Plan:

The ROE will hold a workshop for the Finance Department of the ROE No. 19 regarding the proper accounting principles to follow. This will be to accomplish both placement of the purchase, shipping and installation costs in the appropriate category and to ensure that this is also properly recorded in the ROE No. 19's inventory records. It will be noted as leased equipment in this inventory record.

Anticipated Date of Completion:

Completed.

Name of Contact Person:

Mr. James E. Bauer, Director of Finance of the DuPage Regional Office of Education No. 19

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
JUNE 30, 2008

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
07-1	Bank Reconciliations Not Completed Properly and Timely	Resolved
07-2	Inadequate Monitoring of Collateral on Deposits	Resolved
07-3	Controls Over Property Records and Transactions	Resolved

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

The DuPage County Regional Office of Education No. 19 (ROE No. 19) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2008 with comparative information for the year ended June 30, 2007. Readers are encouraged to consider the information in conjunction with the ROE No. 19's financial statements that follow.

2008 Financial Highlights

- Within the Governmental Funds, the General Fund revenues increased by \$187,786 (21%) from \$882,712 in FY 2007 to \$1,070,498 in FY 2008. General Fund expenditures increased by \$265,165 (30%) from \$879,373 in FY 2007 to \$1,144,538 in FY 2008.
- Within the Governmental Funds, the Special Revenue Fund revenues increased by \$1,504,783 (36%) from \$4,154,951 in FY 2007 to \$5,659,734 in FY 2008. The Special Revenue Fund expenditures increased by \$1,627,811 (39%) from \$4,144,136 in FY 2007 to \$5,771,947 in FY 2008.
- The Enterprise Fund revenues decreased by \$182,882 (14%) from \$1,327,141 in FY 2007 to \$1,144,259 in FY 2008. The Enterprise Fund expenditures increased by \$33,427 (3%) from \$1,177,550 in FY 2007 to \$1,210,977 in FY 2008.

Using This Report

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

- *Management's Discussion and Analysis* introduces financial statements and provides an analytical overview of the ROE No. 19'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 the ROE No. 19 as a whole and present an overall view of the Office's finances.
- *Fund financial statements* report the ROE No. 19's operations in more detail than the government-wide statements by providing information about the most significant funds.
- *Notes to the financial statements* provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- *Required supplementary information* further explains and supports the financial statements and supplementary information provides detailed information about the non-major funds.

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

Reporting the DuPage County Regional Office as a Whole

It is important to note, that many grants are a cooperative effort of the ROE No. 19 and the Grundy/Kendall Regional Office of Education No. 24. Therefore, these figures may reflect grants that are intended to serve DuPage County only and grants that serve DuPage, Grundy, and Kendall Counties.

The Statement of Net Assets and the Statement of Activities

Government-wide Financial Statements

The Government-wide financial statements report information about the ROE No. 19 as a whole. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid using Generally Accepted Accounting Principles and GASB 34.

The Government-wide financial statements report the Office's net assets and how they have changed. Net assets - the difference between assets and liabilities - are one way to measure the ROE No. 19's financial health or position.

- Over time, increases or decreases in the net assets can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the ROE No. 19's overall condition, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the State level need to be considered.

Fund Financial Statements

The fund financial statements provide detailed information about the ROE No. 19's funds. Funds are accounting devices that allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by State law. The ROE No. 19 established other funds to control and manage money for particular purposes.

The ROE No. 19 has three kinds of funds:

- (1) Governmental funds account for those funds through which most governmental functions of the ROE No. 19 are financed. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at the 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 resources that can be spent in the near future to finance the ROE No. 19's programs. The

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

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

- (2) Proprietary funds account for resources from fees charged directly to those entities or individuals that use its services. Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by government-wide financial statements. The proprietary funds required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses and Changes in Fund Net Assets and a Statement of Cash Flows.
- (3) Fiduciary funds are used to account for assets held by the ROE No. 19 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds required financial statements include a Statement of Fiduciary Net Assets.

Government-Wide Financial Analysis

As noted earlier, net assets may serve when examined over time as one indicator of the financial position of the ROE No. 19. The net assets at the end of FY 2008 and FY 2007 totaled \$2,957,864 and \$2,937,458, respectively. The analysis that follows provides a summary of the Office's net assets as of June 30.

CONDENSED STATEMENT OF NET ASSETS

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
ASSETS						
Current assets	\$ 2,126,368	\$ 1,866,996	\$ 1,200,984	\$ 1,214,871	\$ 3,327,352	\$ 3,081,867
Capital assets, net of depreciation	598,258	324,881	8,695	12,753	606,953	337,634
TOTAL ASSETS	2,724,626	2,191,877	1,209,679	1,227,624	3,934,305	3,419,501
Current liabilities	696,999	369,876	203,606	112,167	900,605	482,043
Noncurrent liabilities	75,836	-	-	-	75,836	-
TOTAL LIABILITIES	772,835	369,876	203,606	112,167	976,441	482,043
NET ASSETS						
Invested in capital assets, net of related debt	505,708	324,881	8,695	12,753	514,403	337,634
Restricted for teacher professional development	991,384	1,231,837	-	-	991,384	1,231,837
Unrestricted	454,699	265,283	997,378	1,102,704	1,452,077	1,367,987
TOTAL NET ASSETS	\$ 1,951,791	\$ 1,822,001	\$ 1,006,073	\$ 1,115,457	\$ 2,957,864	\$ 2,937,458

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The ROE No. 19's net assets increased by \$20,406 (1%) from FY 2007. The increase occurred primarily in the Education Fund primarily due to the increase in grant funding level for the Regional Safe Schools and General State Aid. In addition, net assets related to the Teacher Institute Fund are considered restricted for teacher professional development.

CHANGES IN NET ASSETS

The following analysis shows the changes in net assets for the years ended June 30, 2007 and 2008.

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 480,738	\$ 410,135	\$ 1,097,547	\$ 1,223,168	\$ 1,578,285	\$ 1,633,303
Operating grants and contributions	5,760,430	4,284,837	-	-	5,760,430	4,284,837
General revenues:						
State sources and miscellaneous	69,299	17,639	-	-	69,299	17,639
Investment income	26,685	8,355	46,712	103,973	73,397	112,328
On-behalf payments	393,080	316,697	-	-	393,080	316,697
Total revenues	<u>6,730,232</u>	<u>5,037,663</u>	<u>1,144,259</u>	<u>1,327,141</u>	<u>7,874,491</u>	<u>6,364,804</u>
Expenses:						
Salaries	1,851,201	1,877,662	93,284	91,321	1,944,485	1,968,983
Benefits	340,471	360,294	14,297	11,491	354,768	371,785
Purchased services	1,729,336	1,500,399	1,037,223	1,024,977	2,766,559	2,525,376
Supplies and materials	239,907	224,762	42,346	45,712	282,253	270,474
Capital outlay	161,243	11,301	10,388	404	171,631	11,705
Depreciation	173,011	123,898	4,058	3,645	177,069	127,543
Payments to other governmental units	1,754,859	619,204	9,381	-	1,764,240	619,204
On-behalf payments	393,080	316,697	-	-	393,080	316,697
Total expenses	<u>6,643,108</u>	<u>5,034,217</u>	<u>1,210,977</u>	<u>1,177,550</u>	<u>7,854,085</u>	<u>6,211,767</u>
Income (loss) before operating transfers	87,124	3,446	(66,718)	149,591	20,406	153,037
Operating transfers	42,666	(1,048)	(42,666)	1,048	-	-
Change in net assets	129,790	2,398	(109,384)	150,639	20,406	153,037
Net assets, beginning	1,822,001	1,819,603	1,115,457	964,818	2,937,458	2,784,421
Net assets, ending	<u>\$ 1,951,791</u>	<u>\$ 1,822,001</u>	<u>\$1,006,073</u>	<u>\$1,115,457</u>	<u>\$ 2,957,864</u>	<u>\$ 2,937,458</u>

Governmental Activities

Revenues for governmental activities were \$6,730,232 and expenses were \$6,643,108. The increase in revenues was primarily due to new programs that were funded in FY 2008 totaling \$312,775. These new programs include Reading Improvement, Illinois New Principal Mentoring and Teacher Mentoring & Mentoring Pilot Program. The Regional Safe

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

Schools and General State Aid increased by \$1,076,382 due to the increase in the funding level per student in FY 2008. System of Support (RESPRO) revenues increased by \$135,982 due to the increase in the State funding allocated for system of support. The Consistent Operational Readiness for Emergency (CORE) grant which is on its final year, reported an increase in revenues of \$191,854. Certain programs were not funded or funding was reduced in FY 2008. These programs include WIA, Partnership in Character Education, Truants Minors in Need of Supervision (TMINS) and Standards Aligned Classroom. Consequently, expenses were proportionally increased or decreased to meet the funding level. The ROE No. 19 is able to place funds in reserve for the upcoming fiscal year and remains in a fiscally healthy position.

Business-Type Activities

Revenues for business-type activities were \$1,144,259 and expenses were \$1,210,977. The net decrease in revenues is attributed to lower investment income and tuition fees income for Teacher Inservice for DuPage Educators (TIDE) courses offered in FY 2008. Expenses had a slight increase despite lower revenues due to the increase in certain fixed operating expenses such as rent and utilities.

Financial Analysis of the ROE No. 19 Funds

As previously noted, the ROE No. 19 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency's Governmental Funds reported combined fund balances of \$1,446,083.

Governmental Fund Highlights

- State funding of Regional Offices of Education had a slight increase in the foundation level of 7% from \$5,334 in FY 2007 to \$5,734 in FY 2008.
- Due to the recent instability of the investments market, the ROE moved its investments from higher yield securities to fixed income government securities that offer lower interest rates. The objective is to preserve the ROE's investment value while maintaining maximum liquidity. The dollar return on its fixed income investments remained minimal because of continuing low interest rates.
- In terms of funding level, county support for the ROE No. 19 was slightly reduced.
- ROE No. 19 obtained new grants in FY 2008 to promote best practices in reading, and leadership development for new principals and teachers.

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Proprietary Fund Highlights

Total proprietary fund net assets decreased by \$109,384 (10%). The decrease was primarily due to lower tuition and investment income. In addition, enterprise funds were used to support certain grants which received reduced State funding in FY 2008.

Budgetary Highlights

The Regional Office of Education No. 19 annually adopts budgets for several funds. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the County Board for their approval. The Office Operations Budget covers a fiscal year which runs from December 1 to November 30. All grant budgets are prepared by the Regional Office of Education No. 19 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency.

Capital Assets

ROE No. 19's capital assets include office equipment, computers, audio-visual equipment, and building improvements. The ROE No. 19 maintains an inventory of capital assets which have been accumulated over time. For FY 2008, total additions amounted to \$446,388 and total retirements amounted to \$0. Depreciation expense for FY 2008 was \$177,069.

Economic Factors and Next Years' Budget

At the time these financial statements were prepared and audited, the ROE No. 19 was aware of several existing circumstances that could affect its financial condition in the future:

- The State aid foundation level for FY 2009 has increased to \$5,859 per student.
- The interest rate on investments is expected to remain low and will impact interest earned.
- Most grants have remained near or at previous levels.
- County Board support for ROE No. 19 is also expected to be maintained at prior year's level.
- The Region is experiencing a steady growth in student population and will continue to aggressively pursue new grants and opportunities to expand its services to its community and local school districts.

Contacting the ROE No. 19's Financial Management

This financial report is designed to provide the ROE No 19's citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

needs additional financial information, please contact the Regional Superintendent of Schools, DuPage County Regional Office of Education No. 19 at 421 North County Farm Road, Wheaton IL 60187.

BASIC FINANCIAL STATEMENTS

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
STATEMENT OF NET ASSETS
JUNE 30, 2008**

EXHIBIT A

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,706,561	\$ 1,463,711	\$ 3,170,272
Due from (to) other funds	262,727	(262,727)	-
Due from other governmental units	157,080	-	157,080
Total current assets	<u>2,126,368</u>	<u>1,200,984</u>	<u>3,327,352</u>
Noncurrent assets			
Capital assets, net	598,258	8,695	606,953
TOTAL ASSETS	<u>2,724,626</u>	<u>1,209,679</u>	<u>3,934,305</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	219,110	51,876	270,986
Due to other governmental units	267,870	-	267,870
Deferred revenues	193,305	151,730	345,035
Leases payable	16,714	-	16,714
Total current liabilities	<u>696,999</u>	<u>203,606</u>	<u>900,605</u>
Noncurrent liabilities			
Leases payable	75,836	-	75,836
TOTAL LIABILITIES	<u>772,835</u>	<u>203,606</u>	<u>976,441</u>
NET ASSETS			
Invested in capital assets, net of related debt	505,708	8,695	514,403
Restricted for teacher professional development	991,384	-	991,384
Unrestricted	454,699	997,378	1,452,077
TOTAL NET ASSETS	<u>\$ 1,951,791</u>	<u>\$ 1,006,073</u>	<u>\$ 2,957,864</u>

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT B

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contribution	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary government						
Governmental activities:						
Instructional services:						
Salaries	\$ 1,851,201	\$ 124,625	\$ 1,789,190	\$ 62,614	\$ -	\$ 62,614
Benefits	340,471	21,289	321,490	2,308	-	2,308
Purchased services	1,729,336	126,514	1,313,609	(289,213)	-	(289,213)
Supplies and materials	239,907	16,522	224,426	1,041	-	1,041
Capital expenditures	161,243	45,557	415,615	299,929	-	299,929
Depreciation	173,011	-	-	(173,011)	-	(173,011)
Payments to other governments	1,754,859	146,231	1,696,100	87,472	-	87,472
Administrative:						
On-behalf payments	393,080	-	-	(393,080)	-	(393,080)
Total governmental activities	6,643,108	480,738	5,760,430	(401,940)	-	(401,940)
Business-type activities:						
Local services	1,210,977	1,097,547	-	-	(113,430)	(113,430)
Total business-type activities	1,210,977	1,097,547	-	-	(113,430)	(113,430)
Total primary government	\$ 7,854,085	\$ 1,578,285	\$ 5,760,430	(401,940)	(113,430)	(515,370)
General revenues:						
Miscellaneous				69,299	-	69,299
Investment income				26,685	46,712	73,397
On-behalf payments				393,080	-	393,080
Transfers				42,666	(42,666)	-
Total general revenues and transfers				531,730	4,046	535,776
Change in net assets				129,790	(109,384)	20,406
Net assets - beginning				1,822,001	1,115,457	2,937,458
Net assets - end				\$ 1,951,791	\$ 1,006,073	\$ 2,957,864

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 JUNE 30, 2008

EXHIBIT C

	General	Institute Fund	Education Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents (overdrafts)	\$ (15,500)	\$ 758,065	\$ 777,784	\$ 186,212	\$ 1,706,561
Due from other funds	-	320,287	-	-	320,287
Due from other governmental units	-	-	157,080	-	157,080
TOTAL ASSETS	(15,500)	1,078,352	934,864	186,212	2,183,928
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenses	9,254	86,968	121,848	1,040	219,110
Due to other funds	-	-	57,560	-	57,560
Due to other governmental units	-	-	267,870	-	267,870
Deferred revenues	-	-	193,305	-	193,305
Total liabilities	9,254	86,968	640,583	1,040	737,845
FUND BALANCES (DEFICIT)					
Unreserved, reported in:					
General fund	(24,754)	-	-	-	(24,754)
Special revenue funds	-	991,384	294,281	185,172	1,470,837
Total fund balances	(24,754)	991,384	294,281	185,172	1,446,083
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	(15,500)	1,078,352	934,864	186,212	2,183,928

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

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
GOVERNMENTAL FUNDS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008**

EXHIBIT D

Total fund balances - governmental funds \$ 1,446,083

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. \$ 598,258

Capital lease obligations are not due and payable in the current period and therefore are not reported as liabilities in the funds. (92,550) 505,708

Net assets of governmental activities \$ 1,951,791

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
GOVERNMENTAL FUNDS

EXHIBIT E

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

	General	Institute Fund	Education Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
REVENUES					
Federal sources	\$ -	\$ -	\$ 1,195,762	\$ -	\$ 1,195,762
State sources	608,119	-	3,952,549	4,000	4,564,668
Local sources:					
Licenses and permits	-	156,694	-	14,692	171,386
Intergovernmental	-	-	216,892	2,125	219,017
Miscellaneous	69,299	77,219	13,116	-	159,634
Investment income	-	26,685	-	-	26,685
On-behalf payments	393,080	-	-	-	393,080
Total revenues	1,070,498	260,598	5,378,319	20,817	6,730,232

EXPENDITURES

Current:					
Salaries	355,620	-	1,495,581	-	1,851,201
Benefits	84,994	7,843	247,634	-	340,471
Purchased services	209,839	368,203	1,136,989	14,305	1,729,336
Supplies and materials	40,081	6,125	192,148	1,553	239,907
Payments to other governments	-	-	1,754,859	-	1,754,859
On-behalf payments	393,080	-	-	-	393,080
Capital expenditures	60,924	177,632	369,075	-	607,631
Total expenditures	1,144,538	559,803	5,196,286	15,858	6,916,485

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES

	(74,040)	(299,205)	182,033	4,959	(186,253)
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OTHER FINANCING SOURCES

Proceeds from capital lease obligations	33,798	58,752	-	-	92,550
Transfers in	-	-	42,666	-	42,666
Total other financing sources	33,798	58,752	42,666	-	135,216

**EXCESS (DEFICIENCY) OF REVENUES AND
OTHER FINANCING SOURCES OVER EXPENDITURES**

	(40,242)	(240,453)	224,699	4,959	(51,037)
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FUND BALANCES, BEGINNING OF YEAR

	15,488	1,231,837	69,582	180,213	1,497,120
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FUND BALANCES (DEFICIT), END OF YEAR

	\$ (24,754)	\$ 991,384	\$ 294,281	\$ 185,172	\$ 1,446,083
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The notes to the financial statements are an integral part of this statement.

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2008**

EXHIBIT F

Net change in fund balances \$ (51,037)

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	\$ 446,388	
Depreciation expense	<u>(173,011)</u>	273,377

Some of the capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the capital leases are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Assets.

(92,550)

Change in net assets of governmental activities \$ 129,790

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

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2008**

EXHIBIT G

	<u>Business Type Activities - Enterprise Funds</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 1,463,711
Due from other funds	57,560
Total current assets	<u>1,521,271</u>
Noncurrent assets	
Capital assets, net	<u>8,695</u>
TOTAL ASSETS	<u>1,529,966</u>
LIABILITIES	
Accounts payable and accrued expenses	51,876
Due to other funds	320,287
Deferred revenues	<u>151,730</u>
TOTAL LIABILITIES	<u>523,893</u>
NET ASSETS	
Invested in capital assets, net of related debt	8,695
Unrestricted	<u>997,378</u>
TOTAL NET ASSETS	<u><u>\$ 1,006,073</u></u>

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

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2008**

EXHIBIT H

	Business Type Activities - Enterprise Funds
OPERATING REVENUES	
Charges for services	\$ 1,097,547
OPERATING EXPENSES	
Salaries	93,284
Benefits	14,297
Purchased services	1,037,223
Supplies and materials	42,346
Capital expenditures	10,388
Payments to governmental units	9,381
Depreciation	4,058
Total expenses	<u>1,210,977</u>
OPERATING LOSS	(113,430)
NONOPERATING REVENUES	
Investment income	<u>46,712</u>
LOSS BEFORE OPERATING TRANSFER	(66,718)
OPERATING TRANSFER	
Transfers out	<u>(42,666)</u>
CHANGE IN NET ASSETS	(109,384)
NET ASSETS, BEGINNING OF YEAR	<u>1,115,457</u>
NET ASSETS, END OF YEAR	<u>\$ 1,006,073</u>

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

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2008**

EXHIBIT I

	Business Type Activities - Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts for workshops and services	\$ 1,327,501
Payments to suppliers	(1,209,067)
Payments to employees	(107,581)
Net cash provided by operating activities	<u>10,853</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITY:	
Transfers to other funds	(42,666)
Net cash used in non-capital financing activity	<u>(42,666)</u>
CASH FLOWS FROM INVESTING ACTIVITY:	
Investment income	46,712
Net cash provided by investing activity	<u>46,712</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,899
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,448,812</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 1,463,711</u></u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (113,430)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	4,058
Effects of changes in assets and liabilities:	
Due from (to) other funds	(49,438)
Due from other governmental units	78,224
Accounts payable and accrued expenses	(60,291)
Deferred revenues	<u>151,730</u>
Net cash provided by operating activities	<u><u>\$ 10,853</u></u>

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

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2008**

EXHIBIT J

ASSETS

Cash and cash equivalents	<u>\$ 23,620</u>
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LIABILITIES

Due to other governmental units	<u>\$ 23,620</u>
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The notes to the financial statements are an integral part of this statement.

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The DuPage County Regional Office of Education No. 19 (ROE No. 19) is an entity that is a result of an Educational Service Region becoming a Regional Office of Education as of August 7, 1995. The ROE No. 19 operates under the School Code (105 ILCS 5/3 and 5/3A). ROE No. 19 encompasses DuPage County, Illinois. A Regional Superintendent of Schools serves as Chief Administrative Officer and is elected pursuant to 105 ILCS 5/3 and 5/3A of the School Code.

The accounting policies conform to generally accepted accounting principles which are appropriate to local government units of this type.

A. Reporting Entity

For financial reporting purposes, ROE No. 19 includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Superintendent with the exception of the Audio Visual Institute of DuPage County (AVID) which is required to be audited and presented in a separate financial statement.

The Regional Superintendent of schools is the chief administrative officer of the region and is elected to the position for a four year term by popular vote. The Regional Superintendent is responsible for the supervision and oversight control of school districts in DuPage County. The superintendent's responsibilities for administering the school educational service region programs include, but are not limited to, providing directions to teachers and school officials on science, art and teaching methods; implementing the State Board of Education's Policy Programs; encouraging camaraderie among teachers' institute; making public notice of unfilled teaching positions within the region; and ensuring of the safety, health and welfare of the students in the region by periodically inspecting the school buildings and ensuring that the bus drivers have valid driving licenses and are properly trained to operate the school buses.

The ROE No. 19 has developed criteria to determine whether outside agencies with activities which benefit the citizens of ROE No. 19, including school districts which serve pupils in the Region, should be included within its financial reporting entity. The criteria include but are not limited to, whether ROE No. 19 exercises oversight responsibility, (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability of fiscal matters), scope of public service, and special financing relationships.

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The school districts have been determined not to be part of the reporting entity after applying the manifestation of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the ROE No. 19 does not control the assets, operations or management of the school districts.

In addition, ROE No. 19 is not aware of any entity which would exercise such oversight as to result in it being considered a component unit of that entity.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between those activities of the ROE that are governmental in nature and those that are considered business-type activities. *Governmental activities* normally are supported by operating grants and contributions, charges for services and intergovernmental revenues. *Business-type activities* normally are supported by amounts assessed or received from local sources for the ROE programs.

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 that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Items not properly included among program revenues are reported instead as *general revenues*. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. New Accounting Pronouncement

Effective July 1, 2007, the ROE No. 19 adopted the following accounting pronouncements:

- GASB Statement No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and 27*, which aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. This statement amends applicable note disclosure and RSI requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for*

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Defined Contribution Plans, and No. 27, Accounting for Pensions by State and Local Governmental Employers.

- GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, which establishes criteria to ascertain whether certain transactions should be regarded as a sale or a collateralized borrowing.

There was no significant impact on the ROE No. 19's financial statements as a result of adopting the above statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of ROE No. 19 are prepared in accordance with generally accepted accounting principles (GAAP). The ROE No. 19 applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

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

Governmental and fiduciary fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The ROE No. 19 considers revenues as available if they are collected within 60 days after year end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance.

The revenues susceptible to accrual are fees, interest income and intergovernmental revenue. All other governmental fund type revenues are recognized when received.

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The ROE No. 19 records on-behalf payments made by the State to the Teachers' Retirement System as revenues and expenditures.

When both restricted and unrestricted resources are available for use, it is the ROE No. 19's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Fund Accounting

The accounts of the ROE No. 19 are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue, and expenditures. The ROE No. 19 maintains individual funds as required by the State of Illinois. The resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following summarizes the fund types used:

Government Fund Types

Governmental Funds are those through which most governmental functions are financed. The acquisition, use and balances of the expendable financial resources and the related current liabilities are accounted for through governmental funds. The governmental funds include the following:

General Fund - Accounts for all the financial resources except those required to be accounted for in another fund. The general fund is reported as a major governmental fund in the financial statements. The following are included in the general fund:

General - Accounts for the general operating fund. It has been used to record transactions in connection with general administration activities.

ROE/ISC Operations - Accounts for grant monies received for, and payment of expenditures for, assisting schools in all areas of school improvement.

Special Revenue Funds - Accounts for the proceeds of specific revenue sources (other than expendable trusts) that are legally restricted to expenditures for specified purposes. The ROE No. 19 reported the following special revenue funds as major governmental funds:

Institute - Accounts for fees collected for the registration and renewal of teaching certificates. These fees are used to defray administrative expenses incidental to teachers' institutes, workshops, or meetings of a professional nature that are

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designed to promote the professional growth of teachers or for the purpose of defraying the expense of any general or special meeting of teachers or school personnel, which has been approved by ROE No. 19. All funds generated remain restricted until expended only on the aforementioned activities.

Education - Accounts for grants from the following sources:

Early Childhood Parenting Program - Accounts for grant monies received for, and payment of, expenses for developing and operating programs for parents of young children.

Truants' Alternative Program - Accounts for grant monies received for, and payment of, expenditures of providing support services and evaluating compliance with recommendations to DuPage County truants and their parents.

McKinney Education for Homeless - Accounts for grant monies received for, and payment of, expenditures associated with a Federal program designed to provide counseling and educational support to homeless children and their families. The programs are funded by a Federal Stewart B. McKinney Education for Homeless Children and Youth Grant administered through the Illinois State Board of Education.

Regional Safe Schools and General State Aid - Accounts for grant monies received for, and payment of, expenditures of the Regional Safe Schools program and for the administration of monies from the General State Aid.

Workforce Investment Act - Accounts for monies received for, and payment of expenditures for Workforce Investment Act programs.

Partnership in Character Education - Accounts for monies received for, and payment of expenditures for Partnership for Character Education programs.

Truants Minors in Need of Supervision (TMINS) - Previously known as Juvenile Detention Alternative Initiative program which accounts for monies received for, and payment of expenditures for one of the Alternative Learning Opportunities Programs (ALOP) that provides alternative learning environment and includes individualized instruction, small class and counseling sessions.

Standards Aligned Classroom - Accounts for grant monies received for, and payment of, expenditures incurred for the Standards Aligned Classroom program.

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System of Support (RESPRO) - Accounts for grant monies received for, and payment of, expenditures incurred for the Title I - School Improvement and Accountability and Title II - Teacher Quality - Leadership Grants to help schools meet No Child Left Behind initiative.

Title II - Teacher Quality - Accounts for federal grant monies received for, and payment of, expenditures incurred for improvement of instruction in the classroom.

Technology for Success (Formerly Learning Technology Center) - Accounts for the contract money received and the expenditures in providing a coordinated, statewide support infrastructure which assists school districts in planning for, implementing, assessing results and educating school staff in the use of technology and telecommunications in curricular, instructional and administrative functions.

Physical Education Program - Accounts for the federal grant monies received for, and payment of, expenditures incurred to initiate, expand, and improve physical education programs for K-12 students in order to help them make progress toward meeting State standards for physical education.

Consistent Operational Readiness for Emergency - Accounts for the federal grant monies received for, and payment of, expenditures incurred to improve crisis management and emergency response activities in the county.

National Board Professional Preparation and Teacher Support System - Accounts for the contract money received and the expenditures incurred in providing trainings and professional development for teachers to earn their national board certification.

Social Emotional Learning Standards Professional Development Program (SEL-PDP) - Accounts for the contract money received and the expenditures incurred in providing targeted school districts trainings and technical assistance to incorporate social-emotional learning standards into daily instructions.

Preschool for All - Accounts for the contract money received and the expenditures incurred in providing comprehensive monitoring and technical assistance services to Preschool for All programs.

Reading Improvement - Accounts for grant money received and the expenditures incurred to provide training for new Reading Recovery teachers

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and provide opportunities for ongoing professional development for both teachers and teacher-leaders.

Illinois New Principal Mentoring - Accounts for grant money received and the expenditures incurred to support the State-wide program to ensure that every new principal in Illinois receives a high-quality mentoring experience that focuses on professional development experiences and enhances a new principal's leadership. In this program, new leaders receive mentoring from proven, trained mentors who are paired with new principals based on geography, grade level, and need.

Teacher Mentoring & Mentoring Pilot Program - Accounts for grant money received and the expenditures incurred to support the State-wide new teacher mentoring program that includes assigning a mentor teacher to each new teacher for a period of at least two years and providing professional development designed to ensure the growth of the new teachers' knowledge and skills

Nonmajor Special Revenue Funds - All other special revenue funds not classified under Education Fund are grouped under this fund for financial statement presentation.

General Education Development (GED) - Accounts for the revenues and expenditures associated with the processing of applications for the high school level Test of General Educational Development and the issuance of diplomas upon successful completion of the examination. Statutes require excess funds accumulated for periods exceeding three years to be transferred into the Institute Fund.

Bus - Accounts for revenue from the issuance of school bus driver permits and to sponsor instructional training courses for school bus drivers.

Supervisory - Accounts for an annual appropriation of State common school funds for the expenses incurred in providing supervisory services.

Area I - Accounts for the revenue received and the expenditures incurred for Area I program.

Suburban Council of Reading Consultants - Accounts for the revenue received and the expenditures incurred for reading consultants references.

Regional Summit - Accounts for funds received for, and payment of, expenditures incurred for the annual feasibility studies being used as a tool to

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investigate the advantages and/or disadvantages of reorganization options for the school districts involved in the study.

Proprietary Funds - Accounts for resources from fees charged directly to those entities or individuals that use its services.

Local Services - Accounts for the revenues and expenses associated with workshops conducted by the ROE No. 19. In addition, this fund accounts for the revenues and expenses of the Gifted Planning Activities and the Math on Mondays contract.

Teacher Inservice for DuPage Educators (TIDE) - Accounts for the revenues and expenditures incurred for graduate courses offered to DuPage educators and administrators.

Criminal Background Investigation - Accounts for the assessment received from the school districts to pay for the processing of fingerprinting the substitute teachers and expenditures incurred providing this service to the school districts.

Fiduciary Fund Type

Fiduciary Funds are used to account for assets held in a trustee capacity or as an agent for individuals or private or governmental organizations. The Fiduciary Funds include the following:

The Agency Fund consists of the following:

Distributive - Accounts for funds received from ISBE and disbursed as a result of the Superintendent's responsibility to receive and distribute to treasurers of school districts and other agencies, monies due to them from general State aid, State categorical grants, and various other sources.

DuPage Career Education Center (DCEC) - DCEC is a cooperative of school districts, providing support services for career education programs for kindergarten through the eighth grade. DCEC provides staff-in-service, a community resource files, an audio-visual collection and a library of professional materials for teacher's classroom use, and coordinates the DuPage County Business Education Partnership program. The program is funded through the Illinois State Board of Education, Division of Adult Vocational and Technical Education.

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Consortium for Educational Change (CEC) - CEC is a consortium composed of approximately 60 school districts in suburban Chicago and downstate Illinois. Its mission is to improve student achievement by working with member districts and schools in becoming collaborative, high performing organizations.

F. Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Non-exchange transactions, in which the ROE receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the ROE must provide local resources to be used for specific purpose, and expenditure requirements, in which the resources are provided to the ROE on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

G. Cash and Cash Equivalents

For presentation in the financial statements, investments with an original maturity of three months or less at the time they are purchased by the ROE are considered to be cash equivalents. Investments with an original maturity of more than three months are reported as investments.

H. Capital Assets

Capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets but are not reported in the fund financial statements.

Capital assets are recorded at cost at time of acquisition or fair value at the date of donation. The ROE capitalizes items costing \$500 or more. Depreciation is calculated on a straight-line basis over the estimated useful lives (five to twenty years) of the respective assets.

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I. Deferred Revenues

The ROE reports unearned deferred revenue in the governmental fund Balance Sheet. Deferred and unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period.

J. Net Assets

Net assets present the difference between assets and liabilities in the Statement of Net Assets. Net assets of the ROE are classified as follows:

Invested in Capital Assets - represents the ROE's total investment in capital assets. There is no outstanding debt related to these assets at this time.

Restricted Net Assets - represent resources in which the ROE is legally obligated to spend in accordance with restrictions imposed by enabling legislation.

Unrestricted Net Assets - represent resources used for transactions relating to the general operations of the ROE and may be used at the discretion of management to meet expenses for any purpose.

K. Management Estimates

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

L. Budgetary Data

ROE No. 19 did not formally adopt a budget for the year ended June 30, 2008 and is not legally required to do so. The Illinois State Board of Education requires budgets for certain State and federal programs. These budgets were used to prepare Budgetary Comparison Schedules for the following programs:

General Fund:

- ROE/ISC Operations

Special Revenue Funds:

- Education Fund:
 - Early Childhood Parenting Program

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- Truants' Alternative Program
- Regional Safe Schools and General State Aid
- Technology for Success (Formerly Learning Technology Center)
- Physical Education Program
- Consistent Operational Readiness for Emergency
- Social Emotional Learning Standards Professional Development Program
- Reading Improvement
- Teacher Mentoring & Mentoring Pilot Program

NOTE 2 - CASH AND INVESTMENTS

Deposits

The ROE No. 19 utilizes several different bank accounts for its various activities. The book balance of such accounts is \$143,720 at June 30, 2008, while the bank balance was \$497,137. The difference between the above amounts primarily represents checks that have been issued but have not yet cleared the bank as of June 30, 2008. Of the total bank balances as of June 30, 2008, \$200,000 was secured by federal depository insurance and \$297,137 was collateralized by securities pledged by the ROE No. 19's financial institution on behalf of ROE No. 19.

Investments

The ROE No. 19's established investment policy follows the State of Illinois Public Funds Investment Act which authorizes the ROE No. 19 to purchase certain obligations of the U.S. Treasury, federal agencies and instrumentalities; certificates of deposit and time deposits covered by Federal depository insurance; commercial paper of U.S. corporations with assets exceeding \$500,000,000, if such paper is rated at the highest classification established by at least two standard rating services; money market funds; the Illinois Funds and repurchase agreements of government securities.

The ROE No. 19 has pooled its investments. Investments are stated at fair value. Net income from investments of pooled funds is allocated and credited to the original sources of the funds. As of June 30, 2008, the ROE No. 19 had investments with carrying and fair values as follows:

Investment Type	Carrying Amount	Fair Value
Repurchase agreement	\$ 1,928,327	\$ 2,025,153
Money market funds	865,087	865,087
Illinois Funds investment pool	256,758	335,646
Total	\$ 3,050,172	\$ 3,225,886

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Custodial Credit Risk

Custodial Credit Risk for investments is the risk that, in the event of a failure of the counterparty, the ROE No. 19 will not be able to recover the value of the investments that are in the possession of an outside party. As of June 30, 2008, the ROE No. 19's investments are fully insured and collateralized.

Interest Rate Risk

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The ROE No. 19's policy for reducing its exposure to the risk is to structure the ROE No. 19's portfolio so that securities mature to meet the ROE No. 19's cash requirements for ongoing operations. As of June 30, 2008, all the investments have investment maturities of less than one year.

Credit Risk

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ROE No. 19's policy for managing its exposure to the risk is to limit investments to those allowable by the Illinois Public Funds Investment Act. As of June 30, 2008, the ROE No. 19's investments were rated using the Standards and Poor's rating scale. The following schedule summarizes the ROE No. 19's exposure to credit risk:

<u>Investment Type and Fair Value</u>	<u>AAAm</u>	<u>Not Rated</u>
Repurchase agreement	\$ -	\$ 2,025,153
Money market funds	865,087	-
Illinois Funds investment pool	335,646	-
Total	<u>\$ 1,200,733</u>	<u>\$ 2,025,153</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The ROE No. 19 does not have a policy that specifically addresses concentration of credit risk. As of June 30, 2008, the ROE No. 19 had approximately 63% of investment portfolio in a repurchase agreement with a local bank that was fully collateralized by US agency obligations. The investment in money market funds which is 28% of total investments, consists only of short-term US Treasury securities. The investment in the Illinois Funds investment pool is subject to the Illinois Fund's investment policy which limits investment categories to not exceed 25% of the portfolio, with the exception of cash equivalents and U.S. Treasury securities.

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NOTE 3 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2008 is as follows:

	Balance July 1, 2007	Additions	Retirements	Balance June 30, 2008
GOVERNMENTAL FUNDS				
Furniture and equipment	\$ 740,510	\$ 446,388	\$ -	\$ 1,186,898
Building improvement	104,507	-	-	104,507
Total	845,017	446,388	-	1,291,405
Less: accumulated depreciation	520,136	173,011	-	693,147
Capital assets, net	<u>\$ 324,881</u>	<u>\$ 273,377</u>	<u>\$ -</u>	<u>\$ 598,258</u>
PROPRIETARY FUNDS				
Equipment	\$ 20,428	\$ -	\$ -	\$ 20,428
Less: accumulated depreciation	7,675	4,058	-	11,733
Capital assets, net	<u>\$ 12,753</u>	<u>\$ (4,058)</u>	<u>\$ -</u>	<u>\$ 8,695</u>

NOTE 4 - LEASE COMMITMENTS

a) Capital Leases

The ROE No. 19 has entered into lease agreements as lessee for financing the acquisition of its copiers. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date in the capital assets account.

The present value of future minimum capital lease payments and total minimum annual lease payments for capital leases recorded in the government-wide statement of net assets at June 30, 2008 were as follows:

Year Ending June 30	Amount
2009	\$ 28,871
2010	28,871
2011	28,871
2012	28,871
2013	12,029
Total minimum lease payment	127,513
Less: amount representing interest	34,963
Present value of minimum lease payments	<u>\$ 92,550</u>

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Assets under capital lease recorded in the accompanying government-wide Statement of Net Assets at June 30, 2008 amounted to \$101,610 and the related accumulated depreciation amounted to \$11,855.

b) Operating Leases

The ROE No. 19 also leases office spaces for its Lombard and Addison operations. The agreements provide for a renewal option to extend the leases for an additional five years and annual increases in future minimum rental payments not to exceed 5%. Also, the agreements generally require the ROE No. 19 to pay executory costs. Rental expense for the year ended June 30, 2008 was \$170,216.

At June 30, 2008, future minimum payments under noncancelable operating leases with remaining terms in excess of one year were as follows:

Years Ending June 30	Amount
2009	\$ 173,952
2010	173,952
Total	\$ 347,904

NOTE 5 - RETIREMENT FUND COMMITMENTS

Employees of ROE No. 19 are paid by, and considered employees of, county government. As such, related retirement obligations associated with these employees are the responsibility of county government.

NOTE 6 - RETIREMENT PLANS

Teachers' Retirement System of the State of Illinois

The ROE No. 19 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 the 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

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contribution rate for the year ended June 30, 2008, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The employer THIS Fund contribution was 0.63 percent during the year ended June 30, 2008, and the member THIS Fund health insurance contribution was 0.84 percent.

The State of Illinois makes contributions directly to TRS on behalf of the ROE No. 19's TRS-covered employees.

- **On-behalf Contributions.** The State of Illinois makes employer pension contributions on behalf of the ROE No. 19. For the year ended June 30, 2008, State of Illinois contributions were based on 13.11 percent of creditable earnings not paid from federal funds, and the ROE No. 19, recognized revenue and expenditures of \$171,768 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2007 and June 30, 2006, the State of Illinois contribution rates as percentages of creditable earnings were 9.78 percent (\$130,722) and 7.06 percent (\$76,783), respectively. The State contributions to TRS for the year ended June 30, 2008 were based on an actuarial formula. The State contributions to TRS for the years ended June 30, 2007 and June 30, 2006 were based on dollar amounts specified by the statute and were not actuarially determined.

The ROE No. 19 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, 2008 were \$7,599. Contributions for the years ended June 30, 2007, and June 30, 2006, were \$7,752 and \$6,309 respectively.
- **Federal and Trust Fund Contributions.** When TRS members are paid from federal and special trust funds administered by the ROE No. 19, there is a statutory requirement for the ROE No. 19 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, 2008, the employer pension contribution was 13.11 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2007 and 2006, the employer contribution was 9.78 and 7.06 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2008, salaries totaling \$171,765 were paid from federal and special trust funds that required employer contributions of \$22,518. For the years ended June 30, 2007 and June 30, 2006, required contributions of ROE No. 19 were \$18,294 and \$15,117, respectively.

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- **Early Retirement Option.** The ROE No. 19 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 and under which ERO program the member retires. Under Public Act 94-0004, a “Pipeline ERO” program was provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they met certain conditions and retired on or before July 1, 2007. If members did not meet these conditions, they can retire under the “Modified ERO” program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies for the Pipeline ERO). Under the Pipeline ERO program, the maximum employer contribution was 100 percent of the member’s highest salary used in the final average salary calculation. Under the Modified ERO, the maximum employer contribution is 117.5 percent. Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement. For the year ended June 30, 2008, the ROE No. 19 paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2007 and 2006, the ROE No. 19 paid \$0 in employer ERO contributions.

- **Salary Increases Over 6 Percent and Excess Sick Leave.** Public Act 94-0004 added two new employer contributions to TRS.
 - 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. For the year ended June 30, 2008, the ROE No. 19 paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2007 and June 30, 2006, the ROE No. 19 did not have any payments to TRS for employer contributions due on salary increases in excess of 6 percent.

 - 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 used to calculate final average salary, and the TRS total normal cost rate (17.62 percent of salary during the year ended June 30, 2008). For the year ended June 30, 2008, the ROE No. 19 paid \$0 to TRS for sick leave days granted in excess of the normal annual allotment. For the years ended June 30, 2007 and June 30, 2006, the ROE No. 19 did not have any payments to TRS for sick leave days granted in excess of the normal annual allotment.

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

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Financial Report for the year ended June 30, 2007. The report for the year ended June 30, 2008, is expected to be available in late 2008. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS web site at trs.illinois.gov.

NOTE 7 - DEFICIT FUND BALANCES

The following funds have deficit fund balances as of June 30, 2008:

General Fund	\$	24,754
Educational Fund:		
McKinney Education for Homeless Children		5,128
Truants Minors in Need of Supervision (TMINS)		72,609
System of Support (RESPRO)		52,579
Technology for Success (Formerly Learning Technology Center)		4,080
Consistent Operational Readiness for Emergency		20,783
Preschool for All		1,204
Nonmajor Special Revenue Fund:		
Supervisory		806
Nonmajor Proprietary Fund:		
Criminal Background Investigation		53,210
Total Deficit Fund Balances	\$	235,153

Deficit fund balances are expected to correct themselves through payments from the State, receipts from local sources and interest income in the next fiscal year.

NOTE 8 - ON-BEHALF SALARIES AND PENSION PLAN CONTRIBUTIONS

The salaries of the Regional Superintendent and the Assistant Superintendent are paid by the State of Illinois. The ROE No. 19 personnel are paid by the DuPage County, Illinois, in accordance with statutes. Employees of programs funded by federal and State grants are paid through the Payroll Fund or by the County of DuPage and then reimbursed by the grants.

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

A breakdown of the on-behalf payments for the Regional Superintendent and her first assistant are as follows:

Regional Superintendent Salary	\$ 105,761
Regional Superintendent Fringe Benefits (includes State paid insurance)	6,827
Assistant Regional Superintendent Salary	95,143
Assistant Regional Superintendent Fringe Benefits (includes State paid insurance)	13,581
TRS Pension Contributions	171,768
Total	\$ 393,080

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

NOTE 9 - RELATED PARTY TRANSACTIONS

Fixed assets used solely by the ROE No. 19 are purchased by the DuPage County. Ownership of some fixed assets remains with the County of DuPage and, accordingly, the cost of these assets is not included in any fund or in the Capital Assets in the financial statements. Other expenditures of the ROE No. 19 are paid by the DuPage County.

NOTE 10 - INTERFUND TRANSACTIONS

a) Due From (To) Other Funds

The following is a summary of amounts due from (to) other funds as of June 30, 2008:

Fund	Due From Other Funds	Due To Other Funds
Institute Fund	\$ 320,287	\$ --
Education Fund - Social Emotional Learning Standards Professional Development Program	--	57,560
Proprietary Fund - Teacher Inservice for DuPage Educators	57,560	262,741
Proprietary Fund - Criminal Background Investigation	--	57,546
Total	\$ 377,847	\$ 377,847

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

b) Transfers From (To) Other Funds

The composition of interfund transfers for the year ended June 30, 2008 is as follows:

Fund	Transfer-in	Transfer-out
Education Fund - Truants Minors in Need of Supervision (TMINS)	\$ 42,666	\$ -
Proprietary Fund - Local Services	-	42,666
Total	<u>\$ 42,666</u>	<u>\$ 42,666</u>

NOTE 11 - DUE FROM/TO OTHER GOVERNMENTAL UNITS

The ROE No. 19's Special Revenue Funds and Fiduciary Funds have funds due from/to the following government agencies:

DUE FROM OTHER GOVERNMENTAL UNITS

Will County ROE No. 56 - Professional Development Alliance	\$ 112,917
Illinois State Board of Education	22,539
County of DuPage	18,384
US Department of Education	<u>3,240</u>
Total	<u>\$ 157,080</u>

DUE TO OTHER GOVERNMENTAL UNITS

Local School Districts	<u>\$ 291,490</u>
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SUPPLEMENTARY INFORMATION

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
GENERAL FUND
COMBINING SCHEDULE OF ACCOUNTS
JUNE 30, 2008**

SCHEDULE 1

	<u>General</u>	<u>ROE/ISC Operations</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents (overdraft)	<u>\$ (15,500)</u>	<u>\$ -</u>	<u>\$ (15,500)</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	<u>9,254</u>	<u>-</u>	<u>9,254</u>
FUND BALANCES (DEFICIT)			
Unreserved	<u>(24,754)</u>	<u>-</u>	<u>(24,754)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ (15,500)</u>	<u>\$ -</u>	<u>\$ (15,500)</u>

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
GENERAL FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008**

SCHEDULE 2

	<u>General</u>	<u>ROE/ISC Operations</u>	<u>Total</u>
REVENUES			
State sources	\$ 295,345	\$ 312,774	\$ 608,119
Local sources:			
Miscellaneous	69,299	-	69,299
On-behalf payments	393,080	-	393,080
	<u>757,724</u>	<u>312,774</u>	<u>1,070,498</u>
Total revenues			
EXPENDITURES			
Salaries	109,003	246,617	355,620
Benefits	37,780	47,214	84,994
Purchased services	198,671	11,168	209,839
Supplies and materials	32,306	7,775	40,081
Capital expenditures	60,924		60,924
On-behalf payments	393,080	-	393,080
	<u>831,764</u>	<u>312,774</u>	<u>1,144,538</u>
Total expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(74,040)	-	(74,040)
OTHER FINANCING SOURCES (USES)			
Proceeds of capital lease obligations	33,798	-	33,798
Transfers in (out)	11,916	(11,916)	-
Total other financing sources (uses)	<u>45,714</u>	<u>(11,916)</u>	<u>33,798</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	(28,326)	(11,916)	(40,242)
FUND BALANCES, BEGINNING OF YEAR	<u>3,572</u>	<u>11,916</u>	<u>15,488</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ (24,754)</u>	<u>\$ -</u>	<u>\$ (24,754)</u>

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
GENERAL FUND ACCOUNTS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2008**

SCHEDULE 3

	ROE/ISC Operations		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 312,774	\$ 312,774	\$ -
EXPENDITURES			
Salaries	243,661	246,617	(2,956)
Benefits	47,195	47,214	(19)
Purchased services	11,168	11,168	-
Supplies and materials	10,750	7,775	2,975
Total expenditures	312,774	312,774	-
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
OTHER FINANCING USES			
Transfers out		(11,916)	
DEFICIENCY OF REVENUES AND OTHER FINANCING USES OVER EXPENDITURES		(11,916)	
FUND BALANCE, BEGINNING OF YEAR		11,916	
FUND BALANCE, END OF YEAR		<u>\$ -</u>	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 EDUCATION FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2008

SCHEDULE 4

	Early Childhood Parenting Program	Truants' Alternative Program	McKinney Education for Homeless	Regional Safe Schools and General State Aid	Workforce Investment Act
ASSETS					
Cash and cash equivalents (overdrafts)	\$ 5,800	\$ 338	\$ (5,128)	\$ 641,863	\$ (4,715)
Due from other governmental units	3,879	-	-	-	18,384
TOTAL ASSETS	<u>9,679</u>	<u>338</u>	<u>(5,128)</u>	<u>641,863</u>	<u>13,669</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenses	3,534	-	-	7,932	-
Due to other funds	-	-	-	-	-
Due to other governmental units	-	-	-	242,925	-
Deferred revenues	-	-	-	-	-
Total liabilities	<u>3,534</u>	<u>-</u>	<u>-</u>	<u>250,857</u>	<u>-</u>
FUND BALANCES (DEFICIT)					
Unreserved	6,145	338	(5,128)	391,006	13,669
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,679</u>	<u>\$ 338</u>	<u>\$ (5,128)</u>	<u>\$ 641,863</u>	<u>\$ 13,669</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 EDUCATION FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2008

SCHEDULE 4
 (CONTINUED)

	Partnership in Character Education	Truants Minors in Need of Supervision (TMINS)	Standards Aligned Classroom	System of Support (RESPRO)	Title II - Teacher Quality
ASSETS					
Cash and cash equivalents (overdrafts)	\$ -	(72,609)	\$ 15,290	\$ (52,579)	\$ -
Due from other governmental units	-	-	-	112,917	-
TOTAL ASSETS	-	(72,609)	15,290	60,338	-
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenses	-	-	-	87,972	-
Due to other funds	-	-	-	-	-
Due to other governmental units	-	-	-	24,945	-
Deferred revenues	-	-	15,290	-	-
Total liabilities	-	-	15,290	112,917	-
FUND BALANCES (DEFICIT)					
Unreserved	-	(72,609)	-	(52,579)	-
TOTAL LIABILITIES AND FUND BALANCES	\$ -	(72,609)	\$ 15,290	\$ 60,338	\$ -

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 EDUCATION FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2008

SCHEDULE 4
 (CONTINUED)

	Technology for Success (Formerly Learning Technology Center)	Physical Education Program	Consistent Operational Readiness for Emergency	National Board Professional Preparation and Teacher Support System	Social Emotional Learning Standards Professional Development Program
ASSETS					
Cash and cash equivalents (overdrafts)	\$ (22,740)	\$ (3,240)	\$ (20,783)	\$ 35,491	\$ 61,575
Due from other governmental units	18,660	3,240	-	-	-
TOTAL ASSETS	<u>(4,080)</u>	<u>-</u>	<u>(20,783)</u>	<u>35,491</u>	<u>61,575</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenses	-	-	-	-	-
Due to other funds	-	-	-	-	57,560
Due to other governmental units	-	-	-	-	-
Deferred revenues	-	-	-	-	-
Total liabilities	-	-	-	-	57,560
FUND BALANCES (DEFICIT)					
Unreserved	(4,080)	-	(20,783)	35,491	4,015
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ (4,080)</u>	<u>\$ -</u>	<u>\$ (20,783)</u>	<u>\$ 35,491</u>	<u>\$ 61,575</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 EDUCATION FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2008

SCHEDULE 4
 (CONTINUED)

	Preschool for All	Reading Improvement	Illinois New Principal Mentoring	Teacher Mentoring & Mentoring Pilot Program	Total
ASSETS					
Cash and cash equivalents (overdrafts)	\$ (1,204)	\$ 51,507	\$ 30,686	\$ 118,232	\$ 777,784
Due from other governmental units	-	-	-	-	157,080
TOTAL ASSETS	<u>(1,204)</u>	<u>51,507</u>	<u>30,686</u>	<u>118,232</u>	<u>934,864</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenses	-	21,271	1,139	-	121,848
Due to other funds	-	-	-	-	57,560
Due to other governmental units	-	-	-	-	267,870
Deferred revenues	-	30,236	29,547	118,232	193,305
Total liabilities	-	<u>51,507</u>	<u>30,686</u>	<u>118,232</u>	<u>640,583</u>
FUND BALANCES (DEFICIT)					
Unreserved	(1,204)	-	-	-	294,281
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ (1,204)</u>	<u>\$ 51,507</u>	<u>\$ 30,686</u>	<u>\$ 118,232</u>	<u>\$ 934,864</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 EDUCATION FUND ACCOUNTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 5

	Early Childhood Parenting Program	Truants' Alternative Program	McKinney Education for Homeless	Regional Safe Schools and General State Aid	Workforce Investment Act
REVENUES					
Federal sources	\$ -	\$ -	\$ 33,453	\$ -	\$ 103,052
State sources	115,421	145,055	-	3,151,095	-
Local sources:					
Intergovernmental	-	-	-	-	-
Miscellaneous	5,570	-	-	3,566	-
Total revenues	120,991	145,055	33,453	3,154,661	103,052
EXPENDITURES					
Salaries	77,469	94,916	-	901,826	73,001
Benefits	20,529	20,768	-	130,299	767
Purchased services	16,422	17,865	31,076	292,169	4,438
Supplies and materials	1,001	-	4,497	72,973	6,897
Capital expenditures	-	11,233	-	25,136	4,280
Payments to other governments	-	-	-	1,494,069	-
Total expenditures	115,421	144,782	35,573	2,916,472	89,383
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,570	273	(2,120)	238,189	13,669
OTHER FINANCING SOURCES					
Transfers in	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	5,570	273	(2,120)	238,189	13,669
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	575	65	(3,008)	152,817	-
FUND BALANCES (DEFICIT), END OF YEAR	\$ 6,145	\$ 338	\$ (5,128)	\$ 391,006	\$ 13,669

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
EDUCATION FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008**

**SCHEDULE 5
(CONTINUED)**

	Partnership in Character Education	Tuants/Minors in Need of Supervision (TMINS)	Standards Aligned Classroom	System of Support (RESPRO)	Title II - Teacher Quality
REVENUES					
Federal sources	\$ -	\$ -	2,016	\$ 656,411	\$ 352
State sources	-	29,439	-	121,552	-
Local sources:					
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	1,830	-
Total revenues	-	29,439	2,016	779,793	352
EXPENDITURES					
Salaries	-	58,934	-	184,558	-
Benefits	-	7,036	-	40,080	-
Purchased services	690	3,693	1,754	382,211	352
Supplies and materials	-	2,442	262	43,294	-
Capital expenditures	-	-	-	5,249	-
Payments to other governments	-	-	-	177,260	-
Total expenditures	690	72,105	2,016	832,652	352
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(690)	(42,666)	-	(52,859)	-
OTHER FINANCING SOURCES					
Transfers in	-	42,666	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(690)	-	-	(52,859)	-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	690	(72,609)	-	280	-
FUND BALANCES (DEFICIT), END OF YEAR	\$ -	\$ (72,609)	\$ -	\$ (52,579)	\$ -

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
EDUCATION FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008**

**SCHEDULE 5
(CONTINUED)**

	Technology for Success (Formerly Learning Technology Center)	Physical Education Program	Consistent Operational Readiness for Emergency	National Board Professional Preparation and Teacher Support System	Social Emotional Learning Standards Professional Development Program
REVENUES					
Federal sources	-	\$ 74,728	\$ 325,750	-	-
State sources	127,765	-	-	-	51,950
Local sources:					
Intergovernmental	-	-	-	76,639	-
Miscellaneous	-	-	-	-	2,150
Total revenues	<u>127,765</u>	<u>74,728</u>	<u>325,750</u>	<u>76,639</u>	<u>54,100</u>
EXPENDITURES					
Salaries	87,122	-	17,755	-	-
Benefits	21,524	-	6,402	-	-
Purchased services	18,579	35,475	13,109	33,182	42,284
Supplies and materials	-	17,462	3,281	4,940	6,113
Capital expenditures	2,064	13,072	305,986	-	-
Payments to other governments	-	-	-	3,463	3,298
Total expenditures	<u>129,289</u>	<u>66,009</u>	<u>346,533</u>	<u>41,585</u>	<u>51,695</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,524)	8,719	(20,783)	35,054	2,405
OTHER FINANCING SOURCES					
Transfers in	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(1,524)	8,719	(20,783)	35,054	2,405
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	(2,556)	(8,719)	-	437	1,610
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ (4,080)</u>	<u>\$ -</u>	<u>\$ (20,783)</u>	<u>\$ 35,491</u>	<u>\$ 4,015</u>

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
EDUCATION FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008**

**SCHEDULE 5
(CONTINUED)**

	Preschool for All	Reading Improvement	Illinois New Principal Mentoring	Teacher Mentoring & Mentoring Pilot Program	Total
REVENUES					
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ 1,195,762
State sources	37,750	89,764	-	82,758	3,952,549
Local sources:					
Intergovernmental	-	-	140,253	-	216,892
Miscellaneous	-	-	-	-	13,116
Total revenues	37,750	89,764	140,253	82,758	5,378,319
EXPENDITURES					
Salaries	-	-	-	-	1,495,581
Benefits	-	-	229	-	247,634
Purchased services	37,954	65,329	129,708	10,699	1,136,989
Supplies and materials	1,000	18,466	8,261	1,259	192,148
Capital expenditures	-	-	2,055	-	369,075
Payments to other governments	-	5,969	-	70,800	1,754,859
Total expenditures	38,954	89,764	140,253	82,758	5,196,286
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,204)	-	-	-	182,033
OTHER FINANCING SOURCES					
Transfers in	-	-	-	-	42,666
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(1,204)	-	-	-	224,699
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	-	-	-	-	69,582
FUND BALANCES (DEFICIT), END OF YEAR	\$ (1,204)	\$ -	\$ -	\$ -	\$ 294,281

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 EDUCATION FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 6

	Early Childhood Parenting Program		Truants' Alternative Program		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
REVENUES					
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	110,439	115,421	4,982	145,055	-
Local sources:					
Miscellaneous	-	5,570	5,570	-	-
Total revenues	<u>110,439</u>	<u>120,991</u>	<u>10,552</u>	<u>145,055</u>	<u>-</u>
EXPENDITURES					
Salaries	72,376	77,469	(5,093)	94,916	9,987
Benefits	23,110	20,529	2,581	20,768	5,300
Purchased services	14,306	16,422	(2,116)	17,865	(7,574)
Supplies and materials	647	1,001	(354)	3,793	3,793
Capital expenditures	-	-	-	11,233	(11,233)
Miscellaneous	-	-	-	-	-
Payments to other governments	-	-	-	-	-
Total expenditures	<u>110,439</u>	<u>115,421</u>	<u>(4,982)</u>	<u>144,782</u>	<u>273</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 5,570	\$ 5,570	\$ 273	\$ 273
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>575</u>		<u>65</u>	
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ 6,145</u>		<u>\$ 338</u>	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 EDUCATION FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 6
 (CONTINUED)

	Regional Safe Schools and General State Aid *		Technology for Success (Formerly Learning Technology Center)		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
REVENUES					
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	1,342,618	3,151,095	1,808,477	127,765	-
Local sources:					
Miscellaneous	-	3,566	3,566	-	-
Total revenues	<u>1,342,618</u>	<u>3,154,661</u>	<u>1,812,043</u>	<u>127,765</u>	<u>-</u>
EXPENDITURES					
Salaries	793,066	901,826	(108,760)	88,110	988
Benefits	136,587	130,299	6,288	21,535	11
Purchased services	301,460	292,169	9,291	18,120	(459)
Supplies and materials	106,505	72,973	33,532	-	-
Capital expenditures	5,000	25,136	(20,136)	2,064	(2,064)
Miscellaneous	-	-	-	-	-
Payments to other governments	-	1,494,069	(1,494,069)	-	-
Total expenditures	<u>1,342,618</u>	<u>2,916,472</u>	<u>(1,573,834)</u>	<u>127,765</u>	<u>(1,524)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>238,189</u>	<u>\$ 238,189</u>	<u>\$ -</u>	<u>\$ (1,524)</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>152,817</u>		<u>(2,556)</u>	
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ 391,006</u>		<u>\$ (4,080)</u>	

* includes \$1,709,477 General State Aid Grant for which there is no budgeted expenditure.

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 EDUCATION FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 6
 (CONTINUED)

	Physical Education Program			Consistent Operational Readiness for		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Federal sources	\$ 88,251	\$ 74,728	\$ (13,523)	\$ 151,062	\$ 325,750	\$ 174,688
State sources	-	-	-	-	-	-
Local sources:						
Miscellaneous	29,417	-	(29,417)	-	-	-
Total revenues	<u>117,668</u>	<u>74,728</u>	<u>(42,940)</u>	<u>151,062</u>	<u>325,750</u>	<u>174,688</u>
EXPENDITURES						
Salaries	8,287	-	8,287	47,500	17,755	29,745
Benefits	1,037	-	1,037	11,322	6,402	4,920
Purchased services	72,320	35,475	36,845	47,000	13,109	33,891
Supplies and materials	14,141	17,462	(3,321)	3,240	3,281	(41)
Capital expenditures	-	13,072	(13,072)	42,000	305,986	(263,986)
Miscellaneous	21,883	-	21,883	-	-	-
Payments to other governments	-	-	-	-	-	-
Total expenditures	<u>117,668</u>	<u>66,009</u>	<u>51,659</u>	<u>151,062</u>	<u>346,533</u>	<u>(195,471)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 8,719</u>	<u>\$ 8,719</u>	<u>\$ -</u>	<u>\$ (20,783)</u>	<u>\$ (20,783)</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>(8,719)</u>				
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ -</u>			<u>\$ (20,783)</u>	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 EDUCATION FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 6
 (CONTINUED)

	Social Emotional Learning Standards Professional Development Program			Reading Improvement		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	75,000	51,950	(23,050)	120,000	89,764	(30,236)
Local sources:						
Miscellaneous	900	2,150	1,250	-	-	-
Total revenues	75,900	54,100	(21,800)	120,000	89,764	(30,236)
EXPENDITURES						
Salaries	19,800	-	19,800	-	-	-
Benefits	-	-	-	430	-	430
Purchased services	47,600	42,284	5,316	98,000	65,329	32,671
Supplies and materials	8,500	6,113	2,387	21,570	18,466	3,104
Capital expenditures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Payments to other governments	-	3,298	(3,298)	-	-	-
Total expenditures	75,900	51,695	24,205	120,000	89,764	(30,236)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 2,405	\$ 2,405	\$ -	\$ -	\$ -
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		1,610				
FUND BALANCES (DEFICIT), END OF YEAR		\$ 4,015			\$ -	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 EDUCATION FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 6
 (CONTINUED)

	Teacher Mentoring & Mentoring Pilot Program			Total		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Federal sources	\$ -	\$ -	\$ -	\$ 239,313	\$ 400,478	\$ 161,165
State sources	200,990	82,758	(118,232)	2,121,867	3,763,808	1,641,941
Local sources:						
Miscellaneous	-	-	-	30,317	11,286	(19,031)
Total revenues	200,990	82,758	(118,232)	2,391,497	4,175,572	1,784,075
EXPENDITURES						
Salaries	3,800	-	3,800	1,137,842	1,179,088	(41,246)
Benefits	-	-	-	220,089	199,522	20,567
Purchased services	184,070	10,699	173,371	793,167	511,931	281,236
Supplies and materials	13,120	1,259	11,861	171,516	120,555	50,961
Capital expenditures	-	-	-	47,000	357,491	(310,491)
Miscellaneous	-	-	-	21,883	-	21,883
Payments to other governments	-	70,800	(70,800)	-	1,574,136	(1,574,136)
Total expenditures	200,990	82,758	118,232	2,391,497	3,942,723	(1,551,226)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ 232,849	\$ 232,849
FUND BALANCES (DEFICIT), BEGINNING OF YEAR					143,792	
FUND BALANCES (DEFICIT), END OF YEAR					\$ 376,641	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2008

SCHEDULE 7

	General Education Development	Bus	Supervisory	Area I	Suburban Council of Reading Consultants	Regional Summit	Total
ASSETS							
Cash and cash equivalents (overdraft)	\$ 25,905	\$ 156,887	\$ (248)	\$ 1,576	\$ 92	\$ 2,000	\$ 186,212
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable and accrued expenses	-	482	558	-	-	-	1,040
FUND BALANCES (DEFICIT)							
Unreserved	25,905	156,405	(806)	1,576	92	2,000	185,172
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 25,905	\$ 156,887	\$ (248)	\$ 1,576	\$ 92	\$ 2,000	\$ 186,212

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2008

	General Education Development	Bus	Supervisory	Area I	Suburban Council of Reading Consultants	Regional Summit	Total
REVENUES							
State sources	\$ -	\$ 3,000	\$ 1,000	\$ -	\$ -	\$ -	\$ 4,000
Local sources							
Licenses and permits	3,844	10,848	-	-	-	-	14,692
Intergovernmental	-	-	-	2,125	-	-	2,125
Total revenues	3,844	13,848	1,000	2,125	-	-	20,817
EXPENDITURES							
Purchased services	-	11,023	1,241	2,041	-	-	14,305
Supplies and materials	-	-	-	-	1,553	-	1,553
Total expenditures	-	11,023	1,241	2,041	1,553	-	15,858
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,844	2,825	(241)	84	(1,553)	-	4,959
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	22,061	153,580	(565)	1,492	1,645	2,000	180,213
FUND BALANCES (DEFICIT), END OF YEAR	\$ 25,905	\$ 156,405	\$ (806)	\$ 1,576	\$ 92	\$ 2,000	\$ 185,172

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2008**

SCHEDULE 9

	<u>Business Type Activities - Enterprise Funds</u>			<u>Total</u>
	<u>Local Services</u>	<u>Teacher Inservice for DuPage Educators</u>	<u>Criminal Background Investigation</u>	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,033,117	\$ 430,594	\$ -	\$ 1,463,711
Due from other funds	-	57,560	-	57,560
Total current assets	<u>1,033,117</u>	<u>488,154</u>	<u>-</u>	<u>1,521,271</u>
Noncurrent assets				
Capital assets, net	4,359	-	4,336	8,695
TOTAL ASSETS	<u>1,037,476</u>	<u>488,154</u>	<u>4,336</u>	<u>1,529,966</u>
LIABILITIES				
Accounts payable and accrued expenses	40,034	11,842	-	51,876
Due to other funds	-	262,741	57,546	320,287
Deferred revenues	-	151,730	-	151,730
TOTAL LIABILITIES	<u>40,034</u>	<u>426,313</u>	<u>57,546</u>	<u>523,893</u>
NET ASSETS				
Invested in capital assets, net of related debt	4,359	-	4,336	8,695
Unrestricted	993,083	61,841	(57,546)	997,378
TOTAL NET ASSETS	<u>\$ 997,442</u>	<u>\$ 61,841</u>	<u>\$ (53,210)</u>	<u>\$ 1,006,073</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

SCHEDULE 10

NONMAJOR PROPRIETARY FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Business Type Activities - Enterprise Funds</u>			<u>Total</u>
	<u>Local Services</u>	<u>Teacher Inservice for DuPage Educators</u>	<u>Criminal Background Investigation</u>	
OPERATING REVENUES				
Charges for services	\$ 609,387	\$ 456,921	\$ 31,239	\$ 1,097,547
OPERATING EXPENSES				
Salaries	93,284	-	-	93,284
Benefits	13,478	819	-	14,297
Purchased services	495,085	487,060	55,078	1,037,223
Supplies and materials	25,475	16,871	-	42,346
Capital expenditures	8,747	1,641	-	10,388
Depreciation	2,238	-	1,820	4,058
Payments to governmental units	9,381	-	-	9,381
Total expenses	647,688	506,391	56,898	1,210,977
OPERATING LOSSES	(38,301)	(49,470)	(25,659)	(113,430)
NONOPERATING REVENUES				
Investment income	40,703	6,009	-	46,712
INCOME (LOSSES) BEFORE OPERATING TRANSFER	2,402	(43,461)	(25,659)	(66,718)
OPERATING TRANSFER				
Transfers out	(42,666)	-	-	(42,666)
CHANGE IN NET ASSETS	(40,264)	(43,461)	(25,659)	(109,384)
NET ASSETS, BEGINNING OF YEAR	1,037,706	105,302	(27,551)	1,115,457
NET ASSETS, END OF YEAR	\$ 997,442	\$ 61,841	\$ (53,210)	\$ 1,006,073

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008**

SCHEDULE 11

	Business Type Activities - Enterprise Funds			
	Local Services	Teacher Inservice for DuPage Educators	Criminal Background Investigation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts for workshops and services	\$ 671,894	\$ 608,651	\$ 46,956	\$ 1,327,501
Payments to suppliers	(551,201)	(610,910)	(46,956)	(1,209,067)
Payments to employees	(106,762)	(819)	-	(107,581)
Net cash provided by (used in) operating activities	<u>13,931</u>	<u>(3,078)</u>	<u>-</u>	<u>10,853</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITY:				
Transfer to other funds	(42,666)	-	-	(42,666)
Net cash used in non-capital financing activity	<u>(42,666)</u>	<u>-</u>	<u>-</u>	<u>(42,666)</u>
CASH FLOWS FROM INVESTING ACTIVITY:				
Investment income	40,703	6,009	-	46,712
Net cash provided by investing activity	<u>40,703</u>	<u>6,009</u>	<u>-</u>	<u>46,712</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,968	2,931	-	14,899
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,021,149	427,663	-	1,448,812
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,033,117</u>	<u>\$ 430,594</u>	<u>\$ -</u>	<u>\$ 1,463,711</u>
Reconciliation of operating losses to net cash provided by operating activities:				
Operating losses	\$ (38,301)	\$ (49,470)	\$ (25,659)	\$ (113,430)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	2,238	-	1,820	4,058
Effects of changes in assets and liabilities:				
Due from (to) other funds	-	(57,560)	8,122	(49,438)
Due from other governmental units	62,507	-	15,717	78,224
Accounts payable and accrued expenses	(12,513)	(47,778)	-	(60,291)
Deferred revenues	-	151,730	-	151,730
Net cash provided by (used in) operating activities	<u>\$ 13,931</u>	<u>\$ (3,078)</u>	<u>\$ -</u>	<u>\$ 10,853</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2008

SCHEDULE 12

	<u>Distributive</u>	<u>DuPage Career Education Center (DCEC)</u>	<u>Consortium for Educational Change (CEC)</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 23,620	\$ -	\$ 23,620
LIABILITIES				
Due to other governmental units	\$ -	\$ 23,620	\$ -	\$ 23,620

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
 JUNE 30, 2008

SCHEDULE 13

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2008</u>
DISTRIBUTIVE				
ASSETS				
Cash and cash equivalents	\$ 2,450	\$ 114,024	\$ 116,474	\$ -
LIABILITIES				
Distributive payable	\$ 2,450	\$ 114,024	\$ 116,474	\$ -
DUPAGE CAREER EDUCATION CENTER (DCEC)				
ASSETS				
Cash and cash equivalents	\$ 24,707	\$ 138,072	\$ 139,159	\$ 23,620
LIABILITIES				
Due to other governmental units	\$ 24,707	\$ 138,072	\$ 139,159	\$ 23,620
CONSORTIUM FOR EDUCATIONAL CHANGE (CEC)				
ASSETS				
Cash and cash equivalents (overdraft)	\$ (58,675)	\$ 177,373	\$ 118,698	\$ -
Due from other governmental units	58,675	-	58,675	-
Total assets	<u>-</u>	<u>177,373</u>	<u>177,373</u>	<u>-</u>
LIABILITIES				
Due to other governmental units	\$ -	\$ 177,373	\$ 177,373	\$ -
TOTAL				
ASSETS				
Cash and cash equivalents (overdraft)	\$ (31,518)	\$ 429,469	\$ 374,331	\$ 23,620
Due from other governmental units	58,675	-	58,675	-
Total assets	<u>27,157</u>	<u>429,469</u>	<u>433,006</u>	<u>23,620</u>
LIABILITIES				
Distributive payable	2,450	114,024	116,474	-
Due to other governmental units	24,707	315,445	316,532	23,620
Total liabilities	<u>\$ 27,157</u>	<u>\$ 429,469</u>	<u>\$ 433,006</u>	<u>\$ 23,620</u>

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

SCHEDULE 14

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through / Award Number	FY 2008 Expenditures
DEPARTMENT OF EDUCATION			
Fund for the Improvement of Education <i>Physical Education Program</i>	84.215F	Q215F060369	\$ 66,009
Safe and Drug-Free Schools and Communities_National Programs <i>Consistent Operational Readiness for Emergency</i>	84.184E	Q184E060227	325,750
Improving Teacher Quality State Grants Passed-Through Illinois State Board of Education <i>Title II - Teacher Quality</i>	(M) 84.367A	2007-4932-00	352
Passed-Through Will County Regional Office of Education No. 56 <i>Title II - Teacher Quality - Leadership Grant</i>	(M) 84.367A	2007-4935-SS	14,429
<i>Title II - Teacher Quality - Leadership Grant</i>	(M) 84.367A	2008-4935-SS	90,989
			<u>105,770</u>
Title I Grants to Local Educational Agencies Passed-Through Will County Regional Office of Education No. 56 <i>Title I - School Improvement and Accountability</i>	(M) 84.010A	2007-4331-SS	44,337
<i>Title I - School Improvement and Accountability</i>	(M) 84.010A	2008-4331-SS	506,656
Passed-Through Will County Regional Office of Education No. 56 <i>Standards Aligned Classroom</i>	(M) 84.010A	2008-4331-00	2,016
			<u>553,009</u>
Education for Homeless Children and Youth Passed-Through Will County Regional Office of Education No. 56 <i>McKinney Education for Homeless Children</i>	84.196A	2008-4920-00	33,453
TOTAL DEPARTMENT OF EDUCATION			\$ 1,083,991
DEPARTMENT OF LABOR			
Workforce Investment Act (WIA) Youth Activities Passed-Through County of DuPage <i>Workforce Investment Act (WIA)</i>	17.259	PY2007-1-MOD#1	\$ 89,383
TOTAL DEPARTMENT OF LABOR			\$ 89,383
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,173,374

(M) Program was audited as major program.

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

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

Note 1. Reporting Entity Basis of Presentation and Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of ROE No. 19 and is prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 2. Subrecipients

Not applicable.

Note 3. Description of Federal Programs Audited as a Major Program

System of Support (RESPRO) is designed to help schools meet No Child Left Behind initiative with the Title I - School Improvement and Accountability, Standards Aligned Classroom, and Title II - Teacher Quality - Leadership grants.

Note 4. Non-Cash Assistance

Not applicable.

Note 5. Amount of Insurance

Not applicable.

Note 6. Loan or Loan Guarantees Outstanding

Not applicable.