

**State of Illinois**  
**REGIONAL OFFICE OF EDUCATION #20**

**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**



**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**TABLE OF CONTENTS**

	<u>Page(s)</u>
<b>OFFICIALS</b> .....	1
<b>COMPLIANCE REPORT SUMMARY</b> .....	2 - 3
<b>FINANCIAL STATEMENT REPORT SUMMARY</b> .....	4
<b>INDEPENDENT AUDITORS' REPORT</b> .....	5 - 6
<b>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</b> .....	7 - 8
<b>REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE FOR EACH PROGRAM DETERMINED TO BE MAJOR BY THE ILLINOIS STATE BOARD OF EDUCATION IN THEIR MONITORING OF FEDERAL PROGRAMS</b> .....	9 - 10
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b> .....	11 - 14
<b>SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS</b> .....	15
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b> .....	16A-16G
<b>BASIC FINANCIAL STATEMENTS:</b>	
Government-wide Financial Statements	
Statement of Net Assets .....	17
Statement of Activities .....	18
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	19 - 20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets .....	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	22 - 23

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**TABLE OF CONTENTS  
(Continued)**

	<u>Page(s)</u>
<b>BASIC FINANCIAL STATEMENTS: (Continued)</b>	
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities - Governmental Funds .....	24
Statement of Net Assets - Proprietary Funds .....	25
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds .....	26
Statement of Cash Flows - Proprietary Funds .....	27
Notes to Financial Statements .....	28 - 46
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Illinois Municipal Retirement Fund - Schedule of Funding Progress .....	47
<b>SUPPLEMENTAL INFORMATION:</b>	
General Fund:	
Combining Schedules:	
Combining Schedule of Accounts - General Fund.....	48 - 49
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - General Fund Accounts .....	50 - 51
Individual Schedule:	
Budgetary Comparison Schedule - General Fund Accounts ROE/ISC Operations Project #07-3730-00 .....	52
Budgetary Comparison Schedule - General Fund Accounts ROE/ISC Operations Project #08-3730-00 .....	53

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**TABLE OF CONTENTS  
(Continued)**

	<u>Page(s)</u>
<b>SUPPLEMENTAL INFORMATION: (Continued)</b>	
Education Fund:	
Combining Schedules:	
Combining Schedule of Accounts - Education Fund .....	54 - 59
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Education Fund Accounts .....	60 - 65
Individual Schedules:	
Budgetary Comparison Schedule - Education Fund Accounts Fed. Sp. Ed. - Pre-School Discretionary Project #07-4605-00 .....	66
Budgetary Comparison Schedule - Education Fund Accounts Fed. Sp. Ed. - Pre-School Discretionary Project #08-4605-00 .....	67
Budgetary Comparison Schedule - Education Fund Accounts Regional Safe Schools Project #07-3696-00 .....	68
Budgetary Comparison Schedule - Education Fund Accounts Regional Safe Schools Project #08-3696-00 .....	69
Budgetary Comparison Schedule - Education Fund Accounts Truants Alternative/Optional Ed. Project #08-3695-00 .....	70
Budgetary Comparison Schedule - Education Fund Accounts School Breakfast Incentive Project #08-3365-00 .....	71

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**TABLE OF CONTENTS  
(Continued)**

	<u>Page(s)</u>
<b>SUPPLEMENTAL INFORMATION: (Continued)</b>	
Nonmajor Funds:	
Combining Statements:	
Combining Balance Sheet - Nonmajor Special Revenue Funds .....	72 - 73
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds .....	74 - 75
<b>FEDERAL FINANCIAL COMPLIANCE SECTION</b>	
Schedule of Expenditures of Federal Awards .....	76
Notes to the Schedule of Expenditures of Federal Awards .....	77

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**OFFICIALS**

Regional Superintendent (current and during the audit period)..... Mr. Lawrence Fillingim  
Assistant Regional Superintendent (7/1/07 through 12/14/07)..... Mr. Kent Wheeler  
Assistant Regional Superintendent (1/1/08 through current)..... Mr. James Taylor

Offices are located at:

512 N. Main Street  
Harrisburg, IL 62946

930 Market Street  
Mount Carmel, IL 62863

Wayne County Courthouse  
Fairfield, IL 62837

307 E. Cherry Street  
Carmi, IL 62821

500 E. Main Street  
Albion, IL 62806

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMPLIANCE REPORT SUMMARY**

The compliance audit testing performed during 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	0	2
Repeated audit findings	0	1
Prior recommendations implemented or not repeated	2	0

An additional matter which is less than a significant deficiency or material weakness but more than inconsequential, has been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, this issue may have been included as an immaterial finding in the auditors' reports.

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

Item No.      Page      Description

FINDINGS (GOVERNMENT AUDITING STANDARDS)

There were no findings for the year ended June 30, 2008.

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

There were no findings for the year ended June 30, 2008.

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

07-01	15	Controls Over Compliance with Laws and Regulations
07-02	15	Cash Collateral

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

There were no prior findings.



**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**EXIT CONFERENCE**

An informal exit conference was held on September 19, 2008. Attending were Lawrence Fillingim, Regional Superintendent, Debbie Grubb, Bookkeeper of the Regional Office of Education #20, and Nathan Earnest and Ryan Markwell of West & Company, LLC. There were no findings to discuss.

## 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

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**FINANCIAL STATEMENT REPORT**

**SUMMARY**

The audit of the accompanying basic financial statements of the Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20 was performed by West & Company, LLC.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #20's basic financial statements.



# WEST & COMPANY, LLC

## MEMBERS

E. LYNN FREESE  
RICHARD C. WEST  
KENNETH L. VOGT  
BRIAN E. DANIELL  
JANICE K. ROMACK  
DIANA R. SMITH  
D. RAIF PERRY  
JOHN H. VOGT

## CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

(217) 235-4747  
www.westcpa.com

## OFFICES

EDWARDSVILLE  
EFFINGHAM  
GREENVILLE  
MATTOON  
SULLIVAN

## 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 Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20, as of and for the year ended June 30, 2008, which collectively comprise the Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20, 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 24, 2009 on our consideration of the Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20'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 and Illinois Municipal Retirement Fund - Schedule of Funding Progress on pages 16A-16G and 47 are not a required part of the basic financial statements but are 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 Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20'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 *Guidelines to Auditing and Reporting for a Regional Office of Education*, 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.

*West + Company, LLC*

April 24, 2009

MEMBERS

E. LYNN FREESE  
RICHARD C. WEST  
KENNETH L. VOGT  
BRIAN E. DANIELL  
JANICE K. ROMACK  
DIANA R. SMITH  
D. RAIF PERRY  
JOHN H. VOGT

CERTIFIED PUBLIC ACCOUNTANTS  
&  
CONSULTANTS

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

(217) 235-4747  
www.westcpa.com

OFFICES

EDWARDSVILLE  
EFFINGHAM  
GREENVILLE  
MATTOON  
SULLIVAN

**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 Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20, as of and for the year ended June 30, 2008, which collectively comprise the Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20's basic financial statements and have issued our report thereon dated April 24, 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 Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20'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 but not for the purpose of expressing an opinion on the effectiveness of the Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20's internal control over financial reporting.

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.

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 the 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 or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters which we have reported to management of the Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20 in a separate letter dated April 24, 2009.

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.

*West + Company, LLC*

April 24, 2009



MEMBERS

E. LYNN FREESE  
RICHARD C. WEST  
KENNETH L. VOGT  
BRIAN E. DANIELL  
JANICE K. ROMACK  
DIANA R. SMITH  
D. RAIF PERRY  
JOHN H. VOGT

CERTIFIED PUBLIC ACCOUNTANTS  
&  
CONSULTANTS

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

(217) 235-4747  
www.westcpa.com

OFFICES

EDWARDSVILLE  
EFFINGHAM  
GREENVILLE  
MATTOON  
SULLIVAN

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE FOR EACH PROGRAM DETERMINED TO BE MAJOR BY  
THE ILLINOIS STATE BOARD OF EDUCATION IN THEIR  
MONITORING OF FEDERAL PROGRAMS**

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

We have audited the compliance of the Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20 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 Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20's major federal program is identified in the summary of auditor's 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 Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20's management. Our responsibility is to express an opinion on the Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20'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 criteria as required by the *Guidelines to Auditing and Reporting for a Regional Office of Education*. Those standards and criteria 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 Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20'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 Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20's compliance with those requirements.

In our opinion, the Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20 complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2008.

## **Internal Control Over Compliance**

The management of the Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20 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 Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20'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 Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties Regional Office of Education #20'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.

*West + Company, LLC*

April 24, 2009



**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2008**

---

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

---

**Financial statements**

Type of auditors' report issued:

UNQUALIFIED

Internal control over financial reporting:

- Material weakness(es) identified?        yes        X   no
  
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?        yes        X   none reported
  
- Noncompliance material to financial statements noted?        yes        X   no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?        yes        X   no
  
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?        yes        X   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        X   no

EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2008

---

Section I -- Summary of Auditors' Results (concluded)

---

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of federal program or cluster</u>
84.173A	Fed. Sp. Ed. - Pre-School Discretionary

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee?        X   yes             no

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2008**

**Section II: Financial Statement Findings**

No findings were noted for the year ended June 30, 2008.

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2008**

**Section III: Federal Award Findings**

No findings were noted for the year ended June 30, 2008.



**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the year ended June 30, 2008**

<b><u>Finding Number</u></b>	<b><u>Condition</u></b>	<b><u>Current Status</u></b>
07-01	Failure to present a report of all his acts including a list of all schools visited and dates of visitation to the county board meetings.	(See Note Below)
07-02	The amount on deposit at a financial institution exceeded the federally insured limit and was not fully collateralized.	Resolved

**NOTE:** Although the Regional Office of Education #20 has not fully implemented the corrective action plan associated with this finding during the fiscal year 2008, they have made significant progress in addressing the condition. Therefore, the effect of the condition is inconsequential to the specific programs and the overall financial statements and is now being addressed with management in a separate letter dated April 24, 2009.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**MANAGEMENTS DISCUSSION AND ANALYSIS  
For the year ended June 30, 2008**

The Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne, and White Counties Regional Office of Education #20 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal years ended June 30, 2008 and 2007. We encourage readers to consider this information in conjunction with the ROE's financial statements, which follow.

**FINANCIAL HIGHLIGHTS**

- General Fund revenue increased from \$484,961 in fiscal year 2006 to \$547,675 in fiscal year 2007 and increased to \$604,292 in fiscal year 2008, while General Fund expenditures increased from \$463,706 in fiscal year 2006 to \$532,694 in fiscal year 2007 and increased to \$672,268 in fiscal year 2008.
- The increase in General Fund revenue was attributable to an increase in local funds, on-behalf payments and interest in fiscal year 2007 and an increase in state funds and on-behalf payments in fiscal year 2008. The increase in expenditures in fiscal year 2007 was due primarily to an increase in salaries, and benefits, while the increase in fiscal year 2008 was due primarily to a large increase in on-behalf payments, an increase in capital outlay, salaries, and benefits.
- Special revenue fund revenue decreased from \$2,037,089 in fiscal year 2006 to \$2,017,647 in fiscal year 2007 and decreased to \$1,908,429 in fiscal year 2008, while special revenue fund expenditures decreased from \$2,065,111 in fiscal year 2006 to \$2,017,430 in fiscal year 2007 and decreased to \$1,896,215 in fiscal year 2008.
- The decrease of special revenue fund revenue from fiscal year 2006 to fiscal year 2007 occurred because the decrease in federal funds was greater than the increase in local and state sources. The decrease from fiscal year 2007 to fiscal year 2008 occurred because the decrease of federal sources was greater than the increase in local and state sources. The decrease in expenditures from fiscal year 2006 to fiscal year 2007 was due primarily to a large decrease in salaries, benefits, and purchased services. The decrease in expenditures from fiscal year 2007 to fiscal year 2008 was due primarily to a decrease in purchased services.

**USING THIS ANNUAL REPORT**

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the ROE'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 Regional Office of Education as a whole and present an overall view of the ROE's finances.
- The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Regional Office'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 essential to 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.

### **Reporting The Agency As A Whole**

#### The Statement of Net Assets and the Statement of Activities

The government-wide statements report information about the Regional Office of Education #20 as a whole using accounting methods similar to those used by private-sector companies. 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.

The two government-wide statements report the Office's net assets and how they have changed. Net assets – the difference between the assets and liabilities – are one way to measure the Office's financial health or position.

- Over time, increases or decreases in the net assets are an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Regional Office's overall health, 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 Regional Office's funds, focusing on its most significant or "major" funds – not the ROE as a whole. Funds are accounting devices the Office uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law or by bond covenants. The Office establishes other funds to control and manage money for particular purposes.

The ROE has two kinds of funds:

Governmental funds account for the Regional Office's basic services. These focus on how cash and other financial assets that can readily be converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the ROE's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a summary reconciliation between the government-wide financial statements and the fund financial statements follows the fund financial statements. The ROE's governmental funds include: 1) the General Fund and 2) the Special Revenue Funds.

The governmental funds require financial statements including a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

Proprietary funds account for operations that are financed and operated in a manner similar to a private business, where, the intent of the governing body is that the costs of providing goods or services to the general public be financed through user charges. The ROE has one proprietary fund, the Workshop Fund.

The three basic financial statements of the proprietary fund include: 1) Statement of Net Assets – Proprietary Funds, 2) Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Fund, and 3) Statement of Cash Flows – Proprietary Fund.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of financial position. The Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne, and White Counties ROE #20's net assets at June 30, 2008 and 2007 totaled \$463,107 and \$520,366 respectively. The analysis that follows provides a summary of the ROE's net assets at June 30, 2008 and 2007.

**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>
Current Assets	\$ 504,782	\$ 577,742	\$ 51,392	\$ 81,363	\$ 556,174	\$ 659,105
Capital Assets, net	70,420	56,683	3,739	5,922	74,159	62,605
Total Assets	<u>575,202</u>	<u>634,425</u>	<u>55,131</u>	<u>87,285</u>	<u>630,333</u>	<u>721,710</u>
Current Liabilities	98,275	115,473	26,502	49,956	124,777	165,429
Long-Term Liabilities	42,449	35,915	-	-	42,449	35,915
Total Liabilities	<u>140,724</u>	<u>151,388</u>	<u>26,502</u>	<u>49,956</u>	<u>167,226</u>	<u>201,344</u>
Net Assets:						
Invested in Capital Assets	70,420	56,683	3,739	5,922	74,159	62,605
Restricted for teacher						
professional development	78,299	91,929	-	-	78,299	91,929
Unrestricted	285,759	334,425	24,890	31,407	310,649	365,832
Total Net Assets	<u>\$ 434,478</u>	<u>\$ 483,037</u>	<u>\$ 28,629</u>	<u>\$ 37,329</u>	<u>\$ 463,107</u>	<u>\$ 520,366</u>

The ROE's combined net assets decreased by \$57,259 in FY08 and decreased by \$17,274 in FY07. These decreases occurred primarily as a result of a decrease in federal and state funding and an increase in total expenditures during the years ended June 30, 2008 and 2007.

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

### CHANGES IN NET ASSETS

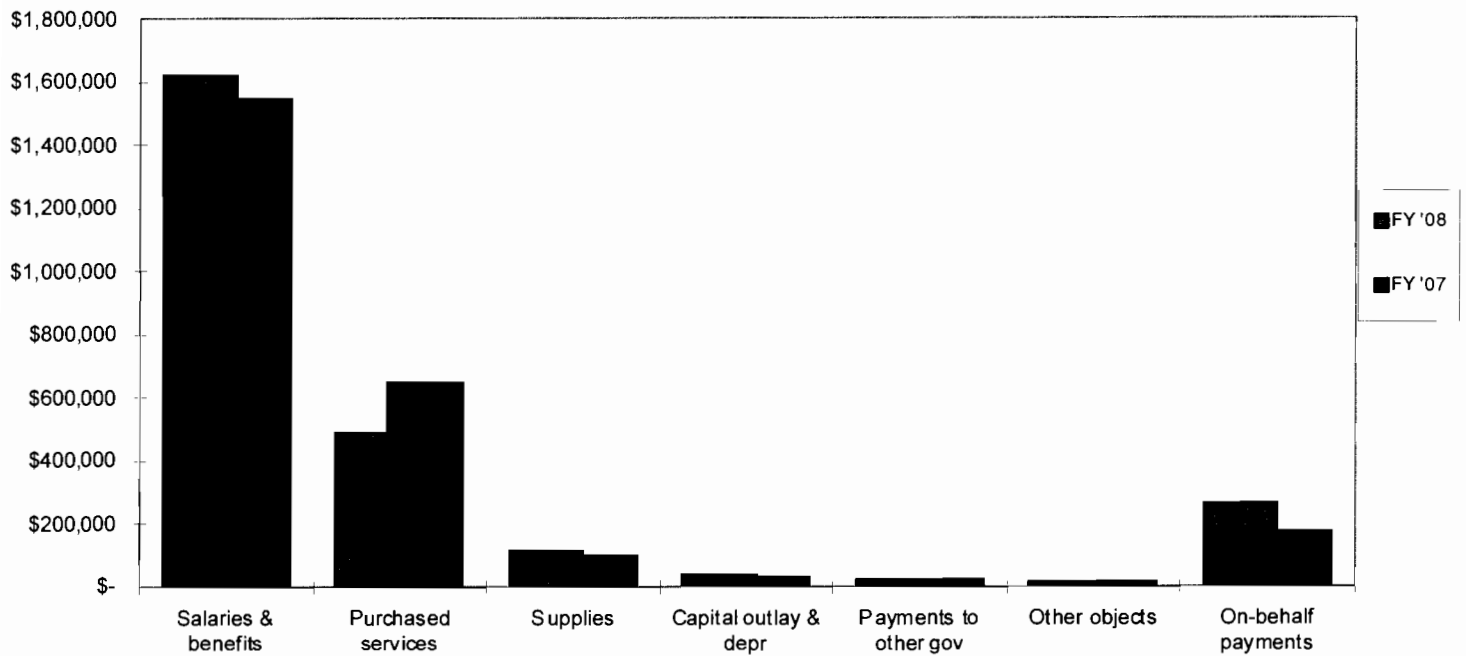
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 139,576	\$ 145,890	\$ 139,576	\$ 145,890
Operating grants & contributions	1,185,885	1,320,332	-	-	1,185,885	1,320,332
General revenues:						
Local sources	318,057	324,746	-	-	318,057	324,746
State sources	741,143	729,396	-	-	741,143	729,396
On-behalf payments	259,786	175,357	-	-	259,786	175,357
Interest	7,850	15,491	890	1,698	8,740	17,189
Total revenues	<u>2,512,721</u>	<u>2,565,322</u>	<u>140,466</u>	<u>147,588</u>	<u>2,653,187</u>	<u>2,712,910</u>
Expenses:						
Program expenses:						
Instructional services:						
Salaries and benefits	1,618,800	1,577,482	-	-	1,618,800	1,577,482
Purchased services	491,146	653,876	-	-	491,146	653,876
Supplies and materials	111,203	94,286	-	-	111,203	94,286
Capital outlay-grant funded assets	5,300	3,117	-	-	5,300	3,117
Payments to other governments	24,218	21,462	-	-	24,218	21,462
Other objects	16,673	11,599	-	-	16,673	11,599
Depreciation	34,154	29,137	-	-	34,154	29,137
Administrative expenses:						
On-behalf payments	259,786	175,357	-	-	259,786	175,357
Business-type expenses:						
Instructional	-	-	149,166	163,868	149,166	163,868
Total expenses	<u>2,561,280</u>	<u>2,566,316</u>	<u>149,166</u>	<u>163,868</u>	<u>2,710,446</u>	<u>2,730,184</u>
Change in Net Assets	(48,559)	(994)	(8,700)	(16,280)	(57,259)	(17,274)
Net Assets, beginning of year	<u>483,037</u>	<u>484,031</u>	<u>37,329</u>	<u>53,609</u>	<u>520,366</u>	<u>537,640</u>
Net Assets, end of year	<u>\$ 434,478</u>	<u>\$ 483,037</u>	<u>\$ 28,629</u>	<u>\$ 37,329</u>	<u>\$ 463,107</u>	<u>\$ 520,366</u>

The following analysis compares total revenues for the years ended June 30,:

	<u>2008</u>	<u>2007</u>
Total program revenues	\$ 1,325,461	\$ 1,466,222
Total general revenues	<u>1,327,726</u>	<u>1,246,688</u>
Total revenues	<u><u>\$2,653,187</u></u>	<u><u>\$2,712,910</u></u>

Operating grants and contributions from local, state, and federal sources account for a majority of the total revenue. The ROE's expenses primarily relate to instructional services, which account for 90% of the total expenses.

### Instructional Services



### Governmental Activities

The analysis of changes in net assets reflects a decrease of \$48,559 in FY08 and a decrease of \$994 in FY07.



## **FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS**

As previously noted, ROE #20 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Office's governmental funds reported combined fund balances of \$406,507 in FY08, \$462,269 in FY07, and \$490,948 in FY06. The primary reason for the decrease in combined fund balance in FY08 was due to large increase in salaries, benefits, and purchased services, and decrease in federal funding, while the decrease in combined fund balances in FY07 and FY06 was due to an increase in expenditures.

### **Governmental Fund Highlights**

- The General Fund balance increased from \$253,110 in FY06 to \$268,091 in FY07 and decreased to \$200,115 in FY08. The decrease was attributable to an increase in spent funds.
- The Education Fund balance decreased from \$84,153 in FY06 to \$55,866 in FY07 and increased to \$88,885 in FY08. The increase in FY08 was attributable, in part, to the increase in revenues from state sources, while the decrease in FY07 was due to a decrease in federal funding.
- The Institute Fund balance decreased from \$132,517 in FY06 to \$91,929 in FY07 to \$78,299 in FY08. This decrease in FY07 was attributable to a reclassification of a proprietary fund while the decrease in FY08 was attributable to increased expenditures.

### **Proprietary Fund Highlights**

- In FY07, the Workshop Fund was reclassified from the Institute Fund, which is a governmental fund to a proprietary fund.
- The net assets in the Workshop Fund decreased from \$37,329 in FY07 to \$28,629 in FY08. The decrease was attributable to a decrease in charges for services.

## **BUDGETARY HIGHLIGHTS**

The ROE #20 annually adopts budgets for certain grants, which are submitted to the State Board of Education. The State Board reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the State Board for final approval. The budget may be amended during the year utilizing procedures prescribed by the State Board. Over the course of the year, the ROE #20 amended several of its grant budgets to reflect adjustments in revenue and expenditures associated with changes in funding from the federal and state sources or for additional services needed and provided to the local school districts. A schedule showing the original and final grant budget amounts compared to the ROE's actual financial activity is included in the supplementary information section of this report.

## **CAPITAL ASSETS**

Capital assets of the Regional Office of Education #20 include office equipment, computers, audio-visual equipment, and office furniture. The Regional Office of Education #20 maintains an inventory of capital assets, which have been accumulated over time. The increase for FY08 was \$47,891 and came as a result of grant money being used to purchase equipment, and other equipment being provided to the Regional Office of Education #20. More detailed information about capital assets is available in the notes to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

At the time these financial statements were prepared and audited, the Regional Office was aware of the following existing circumstances that could significantly affect its financial health in the future:

- A decrease is expected in the number of students being served by the local school districts.
- Funding for FY09 is expected to be comparable to FY08. Due to the economic condition of the State of Illinois, funding payments have been delayed on state grants.

## **CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the Regional Offices' citizens, taxpayers, customers, and constituents with a general overview of the finances and to demonstrate the accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Regional Superintendent of the Regional Office of Education #20, 512 North Main Street, Harrisburg, Illinois 62946.

## **BASIC FINANCIAL STATEMENTS**

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**STATEMENT OF NET ASSETS  
June 30, 2008**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash	\$ 478,301	\$ 49,142	\$ 527,443
Due from other governments	16,067	2,250	18,317
Prepaid items	10,414	-	10,414
Total current assets	504,782	51,392	556,174
Noncurrent assets:			
Capital assets, net	70,420	3,739	74,159
Total assets	575,202	55,131	630,333
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	20,044	24,502	44,546
Salaries and benefits payable	36,492	2,000	38,492
Deferred revenue	41,739	-	41,739
Total current liabilities	98,275	26,502	124,777
Noncurrent liabilities:			
Liability for compensated absences	42,449	-	42,449
Total liabilities	140,724	26,502	167,226
<b>NET ASSETS</b>			
Invested in capital assets	70,420	3,739	74,159
Restricted for teacher professional development	78,299	-	78,299
Unrestricted	285,759	24,890	310,649
Total net assets	\$ 434,478	\$ 28,629	\$ 463,107

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

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**STATEMENT OF ACTIVITIES  
For the year ended June 30, 2008**

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Governmental activities:						
Instructional services:						
Salaries and benefits	\$ 1,618,800	\$ -	\$ 738,425	\$ (880,375)	\$ -	\$ (880,375)
Purchased services	491,146	-	322,572	(168,574)	-	(168,574)
Supplies and materials	111,203	-	76,415	(34,788)	-	(34,788)
Capital outlay - grant funded assets	5,300	-	12,200	6,900	-	6,900
Payments to other governments	24,218	-	21,067	(3,151)	-	(3,151)
Other objects	16,673	-	15,206	(1,467)	-	(1,467)
Depreciation	34,154	-	-	(34,154)	-	(34,154)
Administrative:						
On-behalf payments	259,786	-	-	(259,786)	-	(259,786)
Total governmental activities	2,561,280	-	1,185,885	(1,375,395)	-	(1,375,395)
Business-type activities						
Instructional services	149,166	139,576	-	-	(9,590)	(9,590)
Total governmental activities	\$ 2,710,446	\$ 139,576	\$ 1,185,885	(1,375,395)	(9,590)	(1,384,985)
General revenues:						
Local sources				318,057	-	318,057
State sources				741,143	-	741,143
On-behalf payments				259,786	-	259,786
Interest				7,850	890	8,740
Total general revenues				1,326,836	890	1,327,726
Change in net assets				(48,559)	(8,700)	(57,259)
Net assets - beginning				483,037	37,329	520,366
Net assets - ending				\$ 434,478	\$ 28,629	\$ 463,107

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

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2008**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Institute Fund</u>
<b>ASSETS</b>			
Cash	\$ 184,679	\$ 168,301	\$ 80,225
Due from other funds	8,373	-	-
Due from other governments	7,780	7,543	-
Prepaid items	50	8,566	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 200,882</u>	<u>\$ 184,410</u>	<u>\$ 80,225</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 767	\$ 8,921	\$ 1,926
Salaries and benefits payable	-	36,492	-
Due to other funds	-	8,373	-
Deferred revenue	-	41,739	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>767</u>	<u>95,525</u>	<u>1,926</u>
<b>FUND BALANCES</b>			
Reserved for prepaid items, reported in:			
General fund	50	-	-
Special revenue funds	-	8,566	-
Unreserved, reported in:			
General fund	200,065	-	-
Special revenue funds	-	80,319	78,299
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>200,115</u>	<u>88,885</u>	<u>78,299</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	<u>\$ 200,882</u>	<u>\$ 184,410</u>	<u>\$ 80,225</u>

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

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**BALANCE SHEET  
GOVERNMENTAL FUNDS (continued)  
June 30, 2008**

	<u>Harrisburg Project</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash	\$ 27,043	\$ 18,053	\$ 478,301
Due from other funds	-	-	8,373
Due from other governments	60	684	16,067
Prepaid items	1,798	-	10,414
	<u>1,798</u>	<u>-</u>	<u>10,414</u>
Total assets	<u>\$ 28,901</u>	<u>\$ 18,737</u>	<u>\$ 513,155</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 3,027	\$ 5,403	\$ 20,044
Salaries and benefits payable	-	-	36,492
Due to other funds	-	-	8,373
Deferred revenue	-	-	41,739
	<u>-</u>	<u>-</u>	<u>41,739</u>
Total liabilities	<u>3,027</u>	<u>5,403</u>	<u>106,648</u>
<b>FUND BALANCES</b>			
Reserved for prepaid items, reported in:			
General fund	-	-	50
Special revenue funds	-	-	8,566
Unreserved, reported in:			
General fund	-	-	200,065
Special revenue funds	25,874	13,334	197,826
	<u>25,874</u>	<u>13,334</u>	<u>197,826</u>
Total fund balances	<u>25,874</u>	<u>13,334</u>	<u>406,507</u>
Total liabilities and fund balances	<u>\$ 28,901</u>	<u>\$ 18,737</u>	<u>\$ 513,155</u>

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

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET ASSETS  
June 30, 2008**

Total fund balances-governmental funds	\$ 406,507
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(42,449)
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	<u>70,420</u>
Net assets of governmental activities	<u><u>\$ 434,478</u></u>

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



**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the year ended June 30, 2008**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Institute Fund</u>
<b>Revenues:</b>			
Local sources	\$ 257,975	\$ 34,845	\$ 18,601
State sources	82,834	623,796	-
Federal sources	-	470,415	-
On-behalf payments	259,786	-	-
Interest	3,697	1,028	2,717
	<u>604,292</u>	<u>1,130,084</u>	<u>21,318</u>
<b>Expenditures:</b>			
<b>Education:</b>			
Salaries and benefits	315,747	679,924	1,186
Purchased services	57,593	307,934	28,703
Supplies and materials	26,458	68,025	1,350
Payments to other governments	-	21,067	-
Other objects	535	13,650	-
On-behalf payments	259,786	-	-
Capital outlay	12,149	6,465	3,709
	<u>672,268</u>	<u>1,097,065</u>	<u>34,948</u>
Excess (deficiency) of revenues over (under) expenditures	(67,976)	33,019	(13,630)
Fund balances, beginning of year	<u>268,091</u>	<u>55,866</u>	<u>91,929</u>
Fund balances, end of year	<u>\$ 200,115</u>	<u>\$ 88,885</u>	<u>\$ 78,299</u>

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

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (continued)  
For the year ended June 30, 2008**

	Harrisburg Project	Other Nonmajor Funds	Total Governmental Funds
Revenues:			
Local sources	\$ -	\$ 6,636	\$ 318,057
State sources	703,643	46,340	1,456,613
Federal sources	-	-	470,415
On-behalf payments	-	-	259,786
Interest	304	104	7,850
	<u>703,947</u>	<u>53,080</u>	<u>2,512,721</u>
Expenditures:			
Education:			
Salaries and benefits	580,183	35,226	1,612,266
Purchased services	78,093	18,823	491,146
Supplies and materials	15,084	286	111,203
Payments to other governments	30	3,121	24,218
Other objects	-	2,488	16,673
On-behalf payments	-	-	259,786
Capital outlay	30,868	-	53,191
	<u>704,258</u>	<u>59,944</u>	<u>2,568,483</u>
Excess (deficiency) of revenues over (under) expenditures	(311)	(6,864)	(55,762)
Fund balances, beginning of year	<u>26,185</u>	<u>20,198</u>	<u>462,269</u>
Fund balances, end of year	<u>\$ 25,874</u>	<u>\$ 13,334</u>	<u>\$ 406,507</u>

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

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES-  
GOVERNMENTAL FUNDS  
For the year ended June 30, 2008**

Net change in fund balances		\$ (55,762)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>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.</p>		
Capital outlay	\$ 47,891	
Depreciation expense	<u>(34,154)</u>	13,737
<p>Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
		<u>(6,534)</u>
Change in net assets of governmental activities		<u><u>\$ (48,559)</u></u>

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

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2008**

	Business-Type Activities
	Enterprise Fund
	Workshop Fund
<b>ASSETS</b>	
Current assets:	
Cash	\$ 49,142
Due from other governments	2,250
Total current assets	51,392
Noncurrent assets	
Capital assets, net	3,739
Total assets	55,131
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	24,502
Salaries and benefits payable	2,000
Total liabilities	26,502
<b>NET ASSETS</b>	
Invested in capital assets	3,739
Unrestricted	24,890
Total net assets	\$ 28,629

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

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
For the year ended June 30, 2008**

		<u>Business-Type Activities</u>
		<u>Enterprise Fund</u>
		<u>Workshop Fund</u>
Operating revenues:		
Charges for services	\$	<u>139,576</u>
Operating expenses:		
Salaries and benefits		5,027
Purchased services		117,736
Supplies and materials		21,168
Depreciation		2,183
Capital Outlay		802
Payments to other governments		<u>2,250</u>
Total operating expenses		<u>149,166</u>
Operating loss		(9,590)
Nonoperating revenues:		
Interest		<u>890</u>
Change in net assets		(8,700)
Total net assets - beginning		<u>37,329</u>
Total net assets - ending	\$	<u><u>28,629</u></u>

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

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the year ended June 30, 2008**

	Business-Type Activities
	Enterprise Fund
	Workshop Fund
Cash flows from operating activities:	
Collection of fees	\$ 136,658
Payments to suppliers and providers of goods and services	(164,092)
Payments to employees	(3,027)
Payments to other governments	(2,250)
	(32,711)
Cash flows from investing activities:	
Interest received	890
	(31,821)
Cash - beginning	80,963
Cash - ending	\$ 49,142
Reconciliation of operating loss to net cash provided by (used for) operating activities:	
Operating loss	\$ (9,590)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:	
Depreciation	2,183
Due from other governments	(2,250)
Prepaid items	400
Accounts payable	(22,536)
Unearned revenue	(2,918)
Salaries and benefits payable	2,000
	(32,711)
Net cash used for operating activities	\$ (32,711)

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

**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Regional Office of Education #20's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental units of this type.

**A. Reporting Entity**

The Regional Office of Education #20 was created August 8, 1995, upon the consolidation of Education Service Region #20 and Education Service Region #23. Education Service Region #20 consisted of Edwards, Wabash, Wayne, and White Counties while Region #23 consisted of Gallatin, Hardin, Pope, and Saline Counties.

The Regional Superintendent of Schools is the chief administrative officer of the Region and is elected to the position for a four-year term. The Regional Superintendent is responsible for the supervision and control of the school districts.

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

The Regional Office of Education #20 derives its oversight power and authority over the school districts from the School Code and is responsible for its own fiscal and budgetary matters. The Regional Office of Education #20 exercises no oversight responsibility on financial interdependency, selection of governing authority, designation of management or the ability to significantly influence the operations of any other outside agencies. Control or dependency is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing order. Therefore, no other agency has been included as a component unit in the Regional Office of Education #20's financial statements. In addition, the Regional Office of Education #20 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education #20 being considered a component unit of the 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.

**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**B. Government-wide and Fund Financial Statements** (Continued)

The Statement of Net Assets includes all of the Regional Office of Education #20's assets and liabilities, including capital assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to 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. Other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the 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 fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

It is the Regional Office of Education #20's policy to first apply restricted resources when an expenditure or expense is incurred for which both restricted and unrestricted resources are available.

The Regional Office of Education #20 reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the Regional Office of Education #20 and is used to account for all financial resources that are not legally restricted for expenditure for specified purposes. The following funds are included within the General Fund of the Regional Office of Education #20:

**Clearing** - This fund operates as an imprest account. Money is transferred from various funds and the expenditures appear within the fund in which the cost was incurred.



**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**General Fund (Continued)**

**Payroll** - This fund is utilized for processing payroll. Money is transferred from various funds and the salary expenses appear within the fund in which the salary cost was incurred.

**General Budget** - This fund is utilized to account for general revenues and pay various general and administrative expenses.

**ROE/ISC Operations** - This fund accounts for grant monies received and expended for general and administrative expenses.

**Media** - This fund operates as an imprest account. Money is transferred from various funds for shipping expenses.

**Major Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. Major special revenue funds include the following:

**Education** - These Special Revenue Funds account for State, local and federal grant monies received for, and payment of, administering numerous grant awards for education which include:

**ROE/ISC Technology** - This fund accounts for grant monies received and expended for implementing regional-based computer software and providing on-going support of that software.

**Workforce Investment Act** - This fund accounts for grant monies received and expended to prepare youth for entry into the labor force and to afford job training to those economically disadvantaged youth facing serious barriers to employment, who are in special need of such training to obtain productive employment.

**Standards-Aligned Classroom** - This fund accounts for monies received and expended for creating and supporting learning teams that are focused on alignment of classroom level assessment and instruction.

**Federal Special Education - Pre-School Discretionary** - This fund is used to account for the federal grant which promotes increasing public awareness of the availability of services and locating, identifying and evaluating children suspected of having disabilities.

**Regional Safe Schools** - This fund is used to account for the Regional Safe Schools grant monies. The program concentrates on the education of students who have been expelled from the school districts served by the Regional Office of Education #20.

**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

**Major Special Revenue Funds** (Continued)

**Education** (Continued)

**Safe Schools State Aid** - To account for General State Aid received from the Illinois State Board of Education based on the average daily attendance at the Safe School.

**System of Support** - To provide improvement support to schools in academic early warning and academic watch status as well as to assist other schools whose performance makes placement on the lists in the near future likely.

**Truants Alternative/Optional Education** - This fund accounts for the proceeds from State grants expended under a program to reduce student truancy.

**Truants Alternative Gen. State Aid** - These funds are used to account for the administration of monies to be used for the General State Aid Program.

**McKinney Ed. For Homeless Children** - This fund is used to account for grant monies received and expended assisting school districts in identifying and providing assistance to at-risk students.

**Federal Lunch** - To account for monies received from federal funds for reimbursement for meals served through the school lunch program at the regular price as well as reimbursement of free and reduced-price meals for students enrolled in the Regional Safe Schools Program.

**Positive Behavioral Intervention Services** – To enhance the capacity of schools to safely and effectively educate all students by applying research-based behavior support systems that maximize academic achievement of student and teacher outcomes.

**State Lunch** – To account for State monies received to provide free lunches and breakfasts to eligible needy children enrolled in the Regional Safe School Program.

**Federal Forest Reserve** – To account for federal flow-through grant monies for school districts with land in the Shawnee National Forest.

**School Breakfast Incentive** – This program is used for an incentive program aimed at assisting schools in starting and maintaining the School Breakfast Program.

**Federal Breakfast** – To account for federal monies received to provide breakfast meals meeting federal requirements, to all children in attendance at the Regional Safe School Program.

**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO FINANCIAL STATEMENTS**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

**Major Special Revenue Funds** (Continued)

**Institute** - This fund accounts for fees from registrations. These funds are used to help pay certain administrative expenses incurred to conduct workshops and for general meetings with teachers and other school personnel. All funds generated remain restricted until expended only on the aforementioned activities.

**Harrisburg Project** - This fund is used to account for the contract that creates and maintains computer software and provides an electronic exchange of data for the school districts with other entities.

The Regional Office of Education #20 reports the following major proprietary funds:

**Enterprise Funds** - Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes. Included among these funds is:

**Workshops** – To account for the fees and local revenues received and related disbursements incurred while performing the corresponding program services.

Additionally, the Regional Office of Education #20 reports the following nonmajor funds:

**Nonmajor Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. Nonmajor special revenue funds include the following:

**General Educational Development (GED)** - The GED Fund accounts for proceeds earned from students who pay to participate in the high school equivalency program. These proceeds are used to pay administrative expenses incurred to administer the GED program.

**Bus Driver/Transportation** - This fund is used to account for the fee charged for annual training courses. Proceeds from these fees are used to pay administrative expenses incurred pertaining to the program.

**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

**Nonmajor Special Revenue Funds** (Continued)

**Supervisory** - This fund accounts for proceeds provided to the Regional Superintendent by the Illinois State Board of Education to be used for travel and related expenses.

**Safe Schools-Healthy Students Initiative** - This fund is used to account for monies received and expended for the development of community-wide approaches to creating safe and drug free schools and promoting healthy childhood development.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Under the provision of GASB Statement No. 20, *Accounting and financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Regional Office of Education #20 applies all GASB pronouncements and has elected to apply only the pronouncements issued on or before November 30, 1989 for the following: Statements and Interpretations of the Financial Accounting Standards Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

**D. Assets, Liabilities, and Net Assets or Equity**

**1. Cash and Investments**

State regulations require that Regional Office of Education #20 deposit funds under its control into accounts insured by the federal government, secured by substantial collateral, or into pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

Statutes authorize the Regional Office of Education #20 to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

**2. Interfund Transactions**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**D. Assets, Liabilities, and Net Assets or Equity** (Continued)

**3. Capital assets**

Capital assets are reported in the applicable columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building improvements	10-20
Office equipment	5-10
Computer equipment	3

In the fund financial statements, fixed assets used in governmental operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**4. Compensated Absences**

Employees of Regional Office of Education #20 are permitted to accumulate earned but unused vacation benefits. Accumulated unused vacation benefits are accrued as incurred in the government-wide financial statements. Governmental funds record accumulated unused vacation benefits payable only when due for payment, such as when an employee retires or resigns.

Sick leave accumulates as far as time available but is not reimbursable to employees upon termination. Therefore, no accruals or reserves have been established.

**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**D. Assets, Liabilities, and Net Assets or Equity** (Continued)

**5. Equity Classifications**

**Government-wide Statements**

Equity is classified as net assets and displayed in three components:

**Invested in capital assets** - Consists of capital assets, net of accumulated depreciation.

**Restricted net assets** – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**Unrestricted net assets** – All other net assets that do not meet the definition of “restricted” or “invested in capital assets.”

**Fund Statements**

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved.

**E. New Accounting Pronouncement**

The Regional Office of Education #20 has implemented GASB Statement No. 50, *Pension Disclosures an amendment of GASB statements No. 25 and No. 27*, effective for the fiscal year beginning July 1, 2007. These statements changed the way that the Regional Office of Education #20 discloses its postemployment healthcare and pension information. The Regional Office of Education #20 has also implemented GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, effective for the fiscal year beginning July 1, 2007. This Statement had no effect on the Regional Office of Education #20’s net assets or changes in net assets.

**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets**

The governmental fund Balance Sheet includes a reconciliation between *fund balance-total governmental funds and net assets-governmental activities* as reported in the government-wide Statement of Net Assets. One element of that reconciliation explains that “long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$42,449 difference are as follows:

Compensated Absences	<u>\$ 42,449</u>
----------------------	------------------

**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO FINANCIAL STATEMENTS**

**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

(Continued)

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities**

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between *net changes in fund balances-total governmental funds and changes in net assets of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “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.” The details of this \$13,737 difference are as follows:

Capital outlay	\$ 47,891
Depreciation expense	<u>(34,154)</u>
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 13,737</u>

**3. BUDGETS AND BUDGETARY ACCOUNTING**

The Regional Office of Education #20 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

Budgets relating to programs funded by grants from the Illinois State Board of Education are prepared and submitted to the State Board as part of the grant awards process. The State Board must also approve amendments to these budgets. Grant project budgets are based on the award period. Budget versus actual statements have been presented for the following grants: ROE/ISC Operations, Fed. Sp. Ed. – Pre-School Discretionary, Regional Safe Schools, Truants Alternative/Optional Ed. , and School Breakfast Incentive.

**4. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO FINANCIAL STATEMENTS**

**5. DEPOSITS AND INVESTMENTS**

**A. Deposits**

At June 30, 2008, the government-wide carrying amount of the Regional Office of Education #20's cash deposits was \$527,443 and the bank balance was \$588,850, all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education #20's name, and were, therefore, not exposed to custodial credit risk.

**B. Investments**

The Regional Office of Education #20 does not have a formal investment policy, as it only investments are internally pooled in the Illinois Funds Money Market Fund. At June 30, 2008, the Regional Office of Education #20 had investments with carrying and fair values of \$13,338 invested in the Illinois Funds Money Market Fund.

**Credit Risk**

At June 30, 2008, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

**Interest Rate Risk**

The Illinois Funds Money Market Fund, created by the Illinois General Assembly, enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. The investment policy of the Illinois Funds Money Market Fund states that, unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity.

**Concentration of Credit Risk**

Unless specifically authorized by the Treasurer, the Illinois Funds Money Market Fund's investment policy limits investment categories to not exceed 25% of the portfolio, with the exception of cash equivalents and U.S. Treasury securities. Further, certificates of deposit cannot exceed 10% of any single financial institution's total receipts.



**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO FINANCIAL STATEMENTS**

**6. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets being depreciated:				
Improvements other than buildings	\$ 5,187	\$ -	\$ -	\$ 5,187
Machinery and equipment	256,819	47,891	21,815	282,895
Total capital assets being depreciated	<u>262,006</u>	<u>47,891</u>	<u>21,815</u>	<u>288,082</u>
Less accumulated depreciation for:				
Improvements other than buildings	(5,187)	-	-	(5,187)
Machinery and equipment	(200,136)	(34,154)	(21,815)	(212,475)
Total accumulated depreciation	<u>(205,323)</u>	<u>(34,154)</u>	<u>(21,815)</u>	<u>(217,662)</u>
Governmental activities capital assets, net	<u>\$ 56,683</u>	<u>\$ 13,737</u>	<u>\$ -</u>	<u>\$ 70,420</u>
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Improvements other than buildings	\$ 2,182	\$ -	\$ -	\$ 2,182
Machinery and equipment	55,740	-	-	55,740
Total capital assets being depreciated	<u>57,922</u>	<u>-</u>	<u>-</u>	<u>57,922</u>
Less accumulated depreciation for:				
Improvements other than buildings	(1,527)	(218)	-	(1,745)
Machinery and equipment	(50,473)	(1,965)	-	(52,438)
Total accumulated depreciation	<u>(52,000)</u>	<u>(2,183)</u>	<u>-</u>	<u>(54,183)</u>
Business-type activities capital assets, net	<u>\$ 5,922</u>	<u>\$ (2,183)</u>	<u>\$ -</u>	<u>\$ 3,739</u>

Depreciation expense was charged to functions/programs of the Regional Office of Education #20 as follows:

Governmental activities:

Instructional services:

Depreciation \$ 34,154

Business-Type activities:

Instructional services:

Depreciation \$ 2,183

**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO FINANCIAL STATEMENTS**

**7. RETIREMENT FUND COMMITMENTS**

**A. Teachers' Retirement System of the State of Illinois**

The Regional Office of Education #20 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 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. The active member contribution rate was also 9.4 percent for the years ended June 30, 2007 and 2006.

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 Regional Office of Education #20's TRS-covered employees.

*On-Behalf Contributions* - The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #20. 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 Regional Office of Education #20 recognized revenue and expenditures of \$55,017 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 not paid from federal awards were 9.78 percent (\$40,276) and 7.06 percent (\$28,149), respectively.

The State contributions to TRS for the year ended June 30, 2008 were based on an actuarial formula. The state contributions 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 Regional Office of Education #20 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 \$2,433. Contributions for the years ended June 30, 2007, and June 30, 2006, were \$2,388 and \$2,313, respectively.

**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO FINANCIAL STATEMENTS**

**7. RETIREMENT FUND COMMITMENTS** (Continued)

**A. Teachers' Retirement System of the State of Illinois** (Continued)

*Federal and Trust Fund Contributions* - When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #20, there is a statutory requirement for the Regional Office of Education #20 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for 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 \$125,986 were paid from federal and special trust funds that required employer contributions of \$16,517. For the years ended June 30, 2007, and June 30, 2006, required Regional Office of Education #20 contributions were \$12,833 and \$6,738, respectively.

*Early Retirement Option* – The Regional Office of Education #20 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 qualified for the Pipeline ERO).

Under the Pipeline ERO, 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 the 117.5 percent maximums apply when the member is age 55 at retirement.

For the year ended June 30, 2008, the Regional Office of Education #20 made no payments to TRS for employer contributions under the Pipeline ERO and Modified ERO programs. For the years ended June 30, 2007 and 2006, the Regional Office of Education #20 made no payments for employer ERO contributions.

**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO FINANCIAL STATEMENTS**

**7. RETIREMENT FUND COMMITMENTS** (Continued)

**A. Teachers' Retirement System of the State of Illinois** (Continued)

*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 years ended June 30, 2008, 2007, and 2006, the Regional Office of Education #20 made no payments for employer contributions to TRS 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 years ended June 30, 2008, 2007, and 2006, the Regional Office of Education #20 made no payments for employer contributions 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 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](http://trs.illinois.gov).

**B. Illinois Municipal Retirement Fund**

*Plan Description* – The Regional Office of Education #20's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #20's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO FINANCIAL STATEMENTS**

**7. RETIREMENT FUND COMMITMENTS (Continued)**

**B. Illinois Municipal Retirement Fund (Continued)**

*Funding Policy* – As set by statute, the Regional Office of Education #20’s Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2007 was 10.26 percent of annual covered payroll. The Regional Office of Education #20 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while supplemental retirement benefits rate is set by statute.

*Annual Pension Cost* – For 2007, the Regional Office of Education #20’s annual pension cost of \$84,731 for the Regular plan was equal to Regional Office of Education #20’s required and actual contributions.

**Three-Year Trend Information for the Regular Plan**

<b><u>Trend Information</u></b>			
<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2007	\$ 84,731	100%	\$ -
12/31/2006	\$ 93,008	100%	\$ -
12/31/2005	\$ 80,469	100%	\$ -

The required contribution was determined as part of the December 31, 2005, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2005, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3 percent annually. The actuarial value of the Regional Office of Education #20’s Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with 15 percent corridor between the actuarial and market value of assets. The Regional Office of Education #20’s Regular plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 5 years.

**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO FINANCIAL STATEMENTS**

**7. RETIREMENT FUND COMMITMENTS (Continued)**

**B. Illinois Municipal Retirement Fund (Continued)**

*Funded Status and Fund Progress* – As of December 31, 2007, the most recent actuarial valuation date, the Regular plan was 96.47 percent funded. The actuarial accrued liability for benefits was \$1,856,826 and the actuarial value of assets was \$1,791,283, resulting in an underfunded actuarial accrued liability (UAAL) of \$65,543. The covered payroll (annual payroll of active employees covered by the plan) was \$825,836 and the ratio of the UAAL to the covered payroll was 8 percent.

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

**C. Social Security**

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security.

**8. INTERFUND RECEIVABLES AND PAYABLES**

At June 30, 2008, interfund receivables and payables were as follows:

Due To	Due From	Balance at June 30, 2008
General Fund:	Education Fund:	
General Budget	Workforce Investment Act	1,700
General Budget	Safe Schools State Aid	1,000
General Budget	System of Support	3,873
General Budget	Truants Alternative/Optional Education	1,800
		<b>\$ 8,373</b>

At June 30, 2008 receivables to the General Budget are temporary advances to each fund for expenditure reimbursements.

**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO FINANCIAL STATEMENTS**

**9. CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2008 was as follows:

	Balance at July 1, 2007	Additions	Balance at June 30, 2008
Compensated Absences	\$ 35,915	\$ 6,534	\$ 42,449

Due to the nature of the obligation for compensated absences, annual requirements to amortize such obligations are not determinable and have not been presented. Compensated absences are liquidated through the fund that provides the particular employee's salary.

**10. BOND**

The 105 ILCS 5/3-2 directs the Regional Office of Education #20 to execute a bond of not less than \$100,000 on the Regional Superintendent. The Regional Office of Education #20 has secured and maintained such a bond with coverage of \$1,000,000 on the Regional Superintendent.

**11. ON-BEHALF PAYMENTS**

The Regional Office of Education #20 received on-behalf payments for employee salaries and benefits from the State of Illinois for the following items:

Regional Superintendent salary	\$ 101,218
Regional Superintendent benefits (includes State paid insurance)	19,041
Assistant Regional Superintendent salary	80,730
Assistant Regional Superintendent benefits (includes State paid insurance)	3,780
TRS Pension contributions	55,017
	\$ 259,786

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

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

**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO FINANCIAL STATEMENTS**

**12. RISK MANAGEMENT - CLAIMS AND JUDGEMENTS**

The Regional Office of Education #20 is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation; and natural disasters. The Regional Office of Education #20 is covered by commercial insurance to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years.

**13. OPERATING LEASE**

The Regional Office of Education #20 leases its office facilities. The lease term is from January 1, 2008 to June 30, 2011. The monthly rental payments under the lease are \$2,860 per month for the first five months and \$3,160 per month the following months with the Regional Office of Education #20 being responsible for all utility bills and trash removal.

In addition, the Regional Office of Education #20 subleases a portion of their facilities to Pre-School Discretionary and IDEA Part B Discretionary. Sublease income was \$20,412 for the year ended June 30, 2008.

The Regional Office of Education #20 leases office space for an Alternative School in Harrisburg, Illinois. The lease term is from January 1, 2008 through June 30, 2011. The monthly rental payments under the lease are \$1,550 per month with the Regional Office of Education #20 being responsible for all utility bills and trash removal.

The Regional Office leases office space for an Alternative School in Mill Shoals, Illinois from the Village of Mill Shoals. The lease term is from July 1, 2008 to June 30, 2009. The monthly rental payments under the lease are \$382 per month with the Regional Office of Education #20 being responsible for all utility bills and trash removal.

During the year ended June 30, 2008, rentals under lease obligations were \$57,504.

Future minimum rentals for the years ending June 30 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2009	\$ 61,104
2010	56,520
2011	56,520



**EDWARDS, HARDIN GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO FINANCIAL STATEMENTS**

**14. DUE FROM OTHER GOVERNMENTS**

The Regional Office of Education #20's General Fund, Enterprise Fund and various grant programs have funds due from various other governmental units which consist of the following at June 30, 2008:

Due From Other Governments

General Fund:	
Gallatin County Clerk	\$ 3,250
Saline County Clerk	4,530
Education Fund:	
Regional Office of Education #2	7,543
Harrisburg Project:	
Fremont District #79	60
Nonmajor Governmental Funds:	
Illinois Department of Corrections	100
Southeastern Illinois College	490
Frontier Community College	30
Wabash Valley College	60
Meridian Community School District Unit #101	<u>4</u>
	16,067
Enterprise Funds:	
Illinois Principals Association	<u>2,250</u>
Total	<u><u>\$ 18,317</u></u>

**15. CONTINGENCIES**

The Regional Office of Education #20 has received funding from Federal and State grants in the current and prior years which are subject to audits by granting agencies. The Regional Office of Education #20 believes any adjustments that may arise will be insignificant to the Regional Office of Education #20's operations.

**16. DEFICIT FUND BALANCES**

System of Support carried a deficit fund balance of \$22 as of June 30, 2008. The Regional Office of Education #20 intends to reduce this deficit by reducing expenditures in future periods.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS)**

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF FUNDING PROGRESS  
UNAUDITED**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a) / c]
12/31/2007	\$ 1,791,283	\$ 1,856,826	\$ 65,543	96.47 %	\$ 825,836	7.94 %
12/31/2006	\$ 1,594,179	\$ 1,696,194	\$ 102,015	93.99 %	\$ 788,200	12.94 %
12/31/2005	\$ 1,343,790	\$ 1,417,459	\$ 73,669	94.80 %	\$ 668,346	11.02 %

On a market value basis the actuarial value of assets as of December 31, 2007 was \$1,898,529. On a market basis, the funded ratio would be 102.25 percent.

Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002-2004 Experience Study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For regular members, fewer normal and more early retirements are expected to occur.

**SUPPLEMENTAL INFORMATION**

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
June 30, 2008**

	<u>Clearing</u>	<u>Payroll</u>	<u>General Budget</u>	<u>ROE/ISC Operations</u>
<b>ASSETS</b>				
Cash	\$ 2,378	\$ 2,470	\$ 179,816	\$ 15
Due from other funds	-	-	10,373	-
Due from other governments	-	-	7,780	-
Prepaid items	-	-	50	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 2,378</u>	<u>\$ 2,470</u>	<u>\$ 198,019</u>	<u>\$ 15</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 752	\$ 15
Due to other funds	2,000	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>2,000</u>	<u>-</u>	<u>752</u>	<u>15</u>
<b>FUND BALANCE</b>				
Reserved for prepaid items	-	-	50	-
Unreserved	378	2,470	197,217	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balance	<u>378</u>	<u>2,470</u>	<u>197,267</u>	<u>-</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balance	<u>\$ 2,378</u>	<u>\$ 2,470</u>	<u>\$ 198,019</u>	<u>\$ 15</u>

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND (continued)  
June 30, 2008**

	<u>Media</u>	<u>Eliminating Entries</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ -	\$ -	\$ 184,679
Due from other funds	-	(2,000)	8,373
Due from other governments	-	-	7,780
Prepaid items	-	-	50
	<u>-</u>	<u>-</u>	<u>50</u>
Total assets	<u>\$ -</u>	<u>\$ (2,000)</u>	<u>\$ 200,882</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ 767
Due to other funds	-	(2,000)	-
	<u>-</u>	<u>(2,000)</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>(2,000)</u>	<u>767</u>
<b>FUND BALANCE</b>			
Reserved for prepaid items	-	-	50
Unreserved	-	-	200,065
	<u>-</u>	<u>-</u>	<u>200,065</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>200,115</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ (2,000)</u>	<u>\$ 200,882</u>

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
GENERAL FUND ACCOUNTS  
For the year ended June 30, 2008**

	Clearing	Payroll	General Budget	ROE/ISC Operations
<b>Revenues:</b>				
Local sources	\$ -	\$ -	\$ 257,975	\$ -
State sources	-	-	-	82,834
On-behalf payments	-	-	259,786	-
Interest	107	147	3,372	15
	<u>107</u>	<u>147</u>	<u>521,133</u>	<u>82,849</u>
<b>Expenditures:</b>				
Salaries and benefits	-	-	256,508	59,239
Purchased services	82	169	45,666	11,676
Supplies and materials	-	-	20,261	6,197
Capital outlay	-	-	6,412	5,737
Other objects	-	-	535	-
On-behalf payments	-	-	259,786	-
	<u>82</u>	<u>169</u>	<u>589,168</u>	<u>82,849</u>
Excess (deficiency) of revenues over (under) expenditures	25	(22)	(68,035)	-
<b>Other financing sources (uses):</b>				
Transfers in	-	-	10,335	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>10,335</u>	<u>-</u>
Net other financing sources (uses)	-	-	10,335	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	25	(22)	(57,700)	-
Fund balance, beginning of year	<u>353</u>	<u>2,492</u>	<u>254,967</u>	<u>-</u>
Fund balance, end of year	<u>\$ 378</u>	<u>\$ 2,470</u>	<u>\$ 197,267</u>	<u>\$ -</u>

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
GENERAL FUND ACCOUNTS (continued)  
For the year ended June 30, 2008**

	Media	Eliminating Entries	Total
<b>Revenues:</b>			
Local sources	\$ -	\$ -	\$ 257,975
State sources	-	-	82,834
On-behalf payments	-	-	259,786
Interest	56	-	3,697
<b>Total revenues</b>	<b>56</b>	<b>-</b>	<b>604,292</b>
<b>Expenditures:</b>			
Salaries and benefits	-	-	315,747
Purchased services	-	-	57,593
Supplies and materials	-	-	26,458
Capital outlay	-	-	12,149
Other objects	-	-	535
On-behalf payments	-	-	259,786
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>672,268</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>56</b>	<b>-</b>	<b>(67,976)</b>
<b>Other financing sources (uses):</b>			
Transfers in	-	(10,335)	-
Transfers out	(10,335)	10,335	-
<b>Net other financing sources (uses)</b>	<b>(10,335)</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>(10,279)</b>	<b>-</b>	<b>-</b>
<b>Fund balance, beginning of year</b>	<b>10,279</b>	<b>-</b>	<b>268,091</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,115</b>



**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND ACCOUNTS  
ROE/ISC OPERATIONS - PROJECT #07-3730-00  
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources	<u>\$77,520</u>	<u>\$77,520</u>	<u>\$ 3,800</u>	<u>\$ (73,720)</u>
Total revenues	<u>77,520</u>	<u>77,520</u>	<u>3,800</u>	<u>(73,720)</u>
Expenditures:				
Salaries and benefits	54,027	56,915	-	56,915
Purchased services	16,940	10,790	-	10,790
Supplies and materials	3,558	3,815	-	3,815
Capital outlay	<u>2,995</u>	<u>6,000</u>	<u>3,800</u>	<u>2,200</u>
Total expenditures	<u>77,520</u>	<u>77,520</u>	<u>3,800</u>	<u>73,720</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND ACCOUNTS  
ROE/ISC OPERATIONS - PROJECT #08-3730-00  
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State sources	\$ 77,520	\$ 79,034	\$ 79,034	\$ -
Interest	-	-	15	15
	<u>77,520</u>	<u>79,034</u>	<u>79,049</u>	<u>15</u>
<b>Total revenues</b>				
	<u>77,520</u>	<u>79,034</u>	<u>79,049</u>	<u>15</u>
<b>Expenditures:</b>				
Salaries and Benefits	58,295	59,195	59,239	(44)
Purchased services	14,180	12,150	11,676	474
Supplies and materials	3,045	5,517	6,197	(680)
Capital outlay	2,000	2,172	1,937	235
	<u>77,520</u>	<u>79,034</u>	<u>79,049</u>	<u>(15)</u>
<b>Total expenditures</b>				
	<u>77,520</u>	<u>79,034</u>	<u>79,049</u>	<u>(15)</u>
<b>Excess of revenues over expenditures</b>				
	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>Fund balance, beginning of year</b>				
			<u>-</u>	
<b>Fund balance, end of year</b>				
			<u>\$ -</u>	

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2008**

	<u>ROE/ISC Technology</u>	<u>Workforce Investment Act</u>	<u>Standards- Aligned Classroom</u>
<b>ASSETS</b>			
Cash	\$ -	\$ 2,269	\$ 3,721
Due from other governments	-	-	-
Prepaid items	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ -</u>	<u>\$ 2,269</u>	<u>\$ 3,721</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 504	\$ 2,000
Salaries and benefits payable	-	-	-
Due to other funds	-	1,700	-
Deferred revenue	-	65	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>2,269</u>	<u>2,000</u>
<b>FUND BALANCE</b>			
Reserved for prepaid items	-	-	-
Unreserved	-	-	1,721
	<hr/>	<hr/>	<hr/>
Total fund balance	<u>-</u>	<u>-</u>	<u>1,721</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 2,269</u>	<u>\$ 3,721</u>

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND (continued)**

**June 30, 2008**

	<u>Fed. Sp. Ed. - Pre-School Discretionary</u>	<u>Regional Safe Schools</u>	<u>Safe Schools State Aid</u>
<b>ASSETS</b>			
Cash	\$ 28,474	\$ 2,196	\$ 58,173
Due from other governments	-	-	-
Prepaid items	-	3,194	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 28,474</u>	<u>\$ 5,390</u>	<u>\$ 58,173</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 935	\$ 39	\$ 939
Salaries and benefits payable	-	-	11,004
Due to other funds	-	-	1,000
Deferred revenue	27,539	5,351	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>28,474</u>	<u>5,390</u>	<u>12,943</u>
<b>FUND BALANCE</b>			
Reserved for prepaid items	-	3,194	-
Unreserved	-	(3,194)	45,230
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balance	<u>-</u>	<u>-</u>	<u>45,230</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balance	<u>\$ 28,474</u>	<u>\$ 5,390</u>	<u>\$ 58,173</u>

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND (continued)  
June 30, 2008**

	System of Support	Truants Alternative/ Optional Education	Truants Alternative Gen. State Aid
<b>ASSETS</b>			
Cash	\$ 1,172	\$ 1,803	\$ 58,523
Due from other governments	7,543	-	-
Prepaid items	-	-	5,372
	<u>\$ 8,715</u>	<u>\$ 1,803</u>	<u>\$ 63,895</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 212	\$ 3	\$ 1,103
Salaries and benefits payable	4,652	-	20,836
Due to other funds	3,873	1,800	-
Deferred revenue	-	-	-
	<u>8,737</u>	<u>1,803</u>	<u>21,939</u>
<b>FUND BALANCE</b>			
Reserved for prepaid items	-	-	5,372
Unreserved	(22)	-	36,584
	<u>(22)</u>	<u>-</u>	<u>41,956</u>
<b>Total fund balance</b>	<u>(22)</u>	<u>-</u>	<u>41,956</u>
<b>Total liabilities and fund balance</b>	<u>\$ 8,715</u>	<u>\$ 1,803</u>	<u>\$ 63,895</u>

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND (continued)**

**June 30, 2008**

	<u>McKinney Ed. For Homeless Children</u>	<u>Federal Lunch</u>	<u>Positive Behavioral Intervention Services</u>
<b>ASSETS</b>			
Cash	\$ 11,875	\$ -	\$ 95
Due from other governments	-	-	-
Prepaid items	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 11,875</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 95</u></u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 3,091	\$ -	\$ 95
Salaries and benefits payable	-	-	-
Due to other funds	-	-	-
Deferred revenue	<u>8,784</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>11,875</u>	<u>-</u>	<u>95</u>
<b>FUND BALANCE</b>			
Reserved for prepaid items	-	-	-
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u><u>\$ 11,875</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 95</u></u>

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND (continued)**

**June 30, 2008**

	<u>State Lunch</u>	<u>Federal Forest Reserve</u>	<u>School Breakfast Incentive</u>
<b>ASSETS</b>			
Cash	\$ -	\$ -	\$ -
Due from other governments	-	-	-
Prepaid items	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<hr/> -	<hr/> -	<hr/> -
<b>FUND BALANCE</b>			
Reserved for prepaid items	-	-	-
Unreserved	-	-	-
	<hr/>	<hr/>	<hr/>
Total fund balance	<hr/> -	<hr/> -	<hr/> -
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND (continued)**

**June 30, 2008**

	<u>Federal Breakfast</u>	<u>Total</u>
<b>ASSETS</b>		
Cash	\$ -	\$ 168,301
Due from other governments	-	7,543
Prepaid items	-	8,566
	<u>-</u>	<u>8,566</u>
Total assets	<u>\$ -</u>	<u>\$ 184,410</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 8,921
Salaries and benefits payable	-	36,492
Due to other funds	-	8,373
Deferred revenue	-	41,739
	<u>-</u>	<u>41,739</u>
Total liabilities	<u>-</u>	<u>95,525</u>
<b>FUND BALANCE</b>		
Reserved for prepaid items	-	8,566
Unreserved	-	80,319
	<u>-</u>	<u>80,319</u>
Total fund balance	<u>-</u>	<u>88,885</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 184,410</u>



**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
For the year ended June 30, 2008**

	ROE/ISC Technology	Workforce Investment Act	Standards- Aligned Classroom
<b>Revenues:</b>			
Local sources	\$ -	\$ -	\$ -
State sources	7,500	-	9,000
Federal sources	-	39,551	-
Interest	-	-	-
<b>Total revenues</b>	<b>7,500</b>	<b>39,551</b>	<b>9,000</b>
<b>Expenditures:</b>			
Salaries and benefits	7,394	31,620	6,630
Purchased services	106	7,862	370
Supplies and materials	-	69	-
Capital outlay	-	-	-
Payments to other governments	-	-	2,000
Other objects	-	-	-
<b>Total expenditures</b>	<b>7,500</b>	<b>39,551</b>	<b>9,000</b>
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Fund balance, beginning of year	-	-	1,721
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,721</u>

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS (continued)  
For the year ended June 30, 2008**

	Fed. Sp. Ed. - Pre-School Discretionary	Regional Safe Schools	Safe Schools State Aid
<b>Revenues:</b>			
Local sources	\$ -	\$ -	\$ 2,881
State sources	-	146,562	108,086
Federal sources	354,771	-	-
Interest	327	36	598
Total revenues	<u>355,098</u>	<u>146,598</u>	<u>111,565</u>
<b>Expenditures:</b>			
Salaries and benefits	146,234	131,297	43,514
Purchased services	202,653	9,907	37,184
Supplies and materials	5,984	798	33,160
Capital outlay	-	4,596	-
Payments to other governments	227	-	-
Other objects	-	-	40
Total expenditures	<u>355,098</u>	<u>146,598</u>	<u>113,898</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(2,333)
Fund balance, beginning of year	-	-	47,563
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,230</u>

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS (continued)  
For the year ended June 30, 2008**

	System of Support	Truants Alternative/ Optional Education	Truants Alternative Gen. State Aid
<b>Revenues:</b>			
Local sources	\$ -	\$ -	\$ 1,995
State sources	15,791	152,820	176,550
Federal sources	34,228	-	-
Interest	-	33	26
Total revenues	<u>50,019</u>	<u>152,853</u>	<u>178,571</u>
<b>Expenditures:</b>			
Salaries and benefits	35,930	139,894	109,338
Purchased services	13,214	12,959	16,801
Supplies and materials	897	-	16,563
Capital outlay	-	-	-
Payments to other governments	-	-	-
Other objects	-	-	495
Total expenditures	<u>50,041</u>	<u>152,853</u>	<u>143,197</u>
Excess (deficiency) of revenues over (under) expenditures	(22)	-	35,374
Fund balance, beginning of year	-	-	6,582
Fund balance, end of year	<u>\$ (22)</u>	<u>\$ -</u>	<u>\$ 41,956</u>

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS (continued)  
For the year ended June 30, 2008**

	McKinney Ed. For Homeless Children	Federal Lunch	Positive Behavioral Intervention Services
Revenues:			
Local sources	\$ -	\$ -	\$ 29,969
State sources	-	-	-
Federal sources	10,432	10,439	-
Interest	6	-	2
Total revenues	<u>10,438</u>	<u>10,439</u>	<u>29,971</u>
Expenditures:			
Salaries and benefits	3,760	-	24,313
Purchased services	1,277	-	5,601
Supplies and materials	5,395	-	28
Capital outlay	-	-	-
Payments to other governments	-	-	-
Other objects	6	10,439	29
Total expenditures	<u>10,438</u>	<u>10,439</u>	<u>29,971</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS (continued)  
For the year ended June 30, 2008**

	<u>State Lunch</u>	<u>Federal Forest Reserve</u>	<u>School Breakfast Incentive</u>
<b>Revenues:</b>			
Local sources	\$ -	\$ -	\$ -
State sources	487	-	7,000
Federal sources	-	18,840	-
Interest	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	487	18,840	7,000
<b>Expenditures:</b>			
Salaries and benefits	-	-	-
Purchased services	-	-	-
Supplies and materials	-	-	5,131
Capital outlay	-	-	1,869
Payments to other governments	-	18,840	-
Other objects	487	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	487	18,840	7,000
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Fund balance, beginning of year	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS (continued)  
For the year ended June 30, 2008**

	Federal Breakfast	Total
Revenues:		
Local sources	\$ -	\$ 34,845
State sources	-	623,796
Federal sources	2,154	470,415
Interest	-	1,028
Total revenues	2,154	1,130,084
Expenditures:		
Salaries and benefits	-	679,924
Purchased services	-	307,934
Supplies and materials	-	68,025
Capital outlay	-	6,465
Payments to other governments	-	21,067
Other objects	2,154	13,650
Total expenditures	2,154	1,097,065
Excess (deficiency) of revenues over (under) expenditures	-	33,019
Fund balance, beginning of year	-	55,866
Fund balance, end of year	\$ -	\$ 88,885

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
FED. - SP. ED. - PRE-SCHOOL DISCRETIONARY - PROJECT #07-4605-00  
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources	\$ 509,232	\$ 509,232	\$ 75,563	\$(433,669)
Interest	-	-	-	-
Total revenues	<u>509,232</u>	<u>509,232</u>	<u>75,563</u>	<u>(433,669)</u>
Expenditures:				
Salaries and benefits	148,701	148,701	-	148,701
Purchased services	353,646	353,646	75,563	278,083
Supplies and materials	<u>6,885</u>	<u>6,885</u>	<u>-</u>	<u>6,885</u>
Total expenditures	<u>509,232</u>	<u>509,232</u>	<u>75,563</u>	<u>433,669</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
FED. - SP. ED. - PRE-SCHOOL DISCRETIONARY - PROJECT #08-4605-00  
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Federal sources	\$ 350,000	\$ 350,000	\$ 279,208	\$ (70,792)
Interest	-	-	327	327
	<u>350,000</u>	<u>350,000</u>	<u>279,535</u>	<u>(70,465)</u>
<b>Expenditures:</b>				
Salaries and benefits	137,158	137,158	146,234	(9,076)
Purchased services	205,957	205,957	127,090	78,867
Supplies and materials	6,885	6,885	5,984	901
Payments to other governments	-	-	227	(227)
	<u>350,000</u>	<u>350,000</u>	<u>279,535</u>	<u>70,465</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	



**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
REGIONAL SAFE SCHOOLS - PROJECT #07-3696-00  
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources	\$ 146,930	\$ 148,319	\$ 4,596	\$(143,723)
Interest	-	-	-	-
Total revenues	<u>146,930</u>	<u>148,319</u>	<u>4,596</u>	<u>(143,723)</u>
Expenditures:				
Salaries and benefits	127,328	132,796	-	132,796
Purchased services	11,331	7,463	-	7,463
Supplies and materials	3,771	3,260	-	3,260
Capital outlay	<u>4,500</u>	<u>4,800</u>	<u>4,596</u>	<u>204</u>
Total expenditures	<u>146,930</u>	<u>148,319</u>	<u>4,596</u>	<u>143,723</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
REGIONAL SAFE SCHOOLS - PROJECT #08-3696-00  
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources	\$ 147,317	\$ 147,317	\$ 141,966	\$ (5,351)
Interest	-	-	36	36
Total revenues	<u>147,317</u>	<u>147,317</u>	<u>142,002</u>	<u>(5,315)</u>
Expenditures:				
Salaries and benefits	119,758	129,563	131,297	(1,734)
Purchased services	18,359	11,603	9,907	1,696
Supplies and materials	800	800	798	2
Capital outlay	<u>8,400</u>	<u>5,351</u>	<u>-</u>	<u>5,351</u>
Total expenditures	<u>147,317</u>	<u>147,317</u>	<u>142,002</u>	<u>5,315</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
TRUANTS ALTERNATIVE/OPTIONAL ED. - PROJECT #08-3695-00  
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources	\$ 143,820	\$ 152,820	\$ 152,820	\$ -
Interest	-	-	33	33
	<u>143,820</u>	<u>152,820</u>	<u>152,853</u>	<u>33</u>
Total revenues				
Expenditures:				
Salaries and benefits	127,876	139,287	139,894	(607)
Purchased services	<u>15,944</u>	<u>13,533</u>	<u>12,959</u>	<u>574</u>
	<u>143,820</u>	<u>152,820</u>	<u>152,853</u>	<u>(33)</u>
Total expenditures				
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
SCHOOL BREAKFAST INCENTIVE - PROJECT #08-3365-00  
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State sources	\$ 7,000	\$ 7,000	7,000	\$ -
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
<b>Expenditures:</b>				
Supplies and materials	3,700	5,130	5,131	(1)
Capital outlay	<u>3,300</u>	<u>1,870</u>	<u>1,869</u>	<u>1</u>
Total expenditures	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2008**

	<u>General Educational Development</u>	<u>Bus Driver/ Transportation</u>	<u>Supervisory</u>
<b>ASSETS</b>			
Cash	\$ 7,936	\$ 9,500	\$ 614
Due from other governments	<u>680</u>	<u>4</u>	<u>-</u>
Total assets	<u><u>\$ 8,616</u></u>	<u><u>\$ 9,504</u></u>	<u><u>\$ 614</u></u>
<b>LIABILITES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 5,396	\$ 4	\$ -
<b>FUND BALANCE</b>			
Unreserved	<u>3,220</u>	<u>9,500</u>	<u>614</u>
Total liabilities and fund balance	<u><u>\$ 8,616</u></u>	<u><u>\$ 9,504</u></u>	<u><u>\$ 614</u></u>

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (continued)  
June 30, 2008**

	Safe Schools- Healthy Students Initiative		Total
	<u>          </u>		<u>          </u>
<b>ASSETS</b>			
Cash	\$ 3	\$	18,053
Due from other governments	<u>          -</u>		<u>          684</u>
Total assets	<u><u>          \$ 3</u></u>	<u><u>          \$</u></u>	<u><u>          18,737</u></u>
<b>LIABILITES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 3	\$	5,403
<b>FUND BALANCE</b>			
Unreserved	<u>          -</u>		<u>          13,334</u>
Total liabilities and fund balance	<u><u>          \$ 3</u></u>	<u><u>          \$</u></u>	<u><u>          18,737</u></u>

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the year ended June 30, 2008**

	General Educational Development	Bus Driver/ Transportation	Supervisory
Revenues:			
Local sources	\$ 4,784	\$ 1,852	\$ -
State sources	-	840	8,000
Interest	9	20	5
	<u>4,793</u>	<u>2,712</u>	<u>8,005</u>
Total revenues			
Expenditures:			
Salaries and benefits	-	2,035	-
Purchased services	2,855	1,035	10,624
Supplies and materials	171	15	100
Payments to other governments	3,121	-	-
Other objects	-	-	2,418
	<u>6,147</u>	<u>3,085</u>	<u>13,142</u>
Total expenditures			
Deficiency of revenues under expenditures	(1,354)	(373)	(5,137)
Fund balance, beginning of year	<u>4,574</u>	<u>9,873</u>	<u>5,751</u>
Fund balance, end of year	<u>\$ 3,220</u>	<u>\$ 9,500</u>	<u>\$ 614</u>

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (continued)  
For the year ended June 30, 2008**

	Safe Schools- Healthy Students Initiative	<u>Total</u>
Revenues:		
Local sources	\$ -	\$ 6,636
State sources	37,500	46,340
Interest	70	104
	<u>37,570</u>	<u>53,080</u>
Total revenues		
Expenditures:		
Salaries and benefits	33,191	35,226
Purchased services	4,309	18,823
Supplies and materials	-	286
Payments to other governments	-	3,121
Other objects	70	2,488
	<u>37,570</u>	<u>59,944</u>
Total expenditures		
Deficiency of revenues under expenditures	-	(6,864)
Fund balance, beginning of year	<u>-</u>	<u>20,198</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 13,334</u>



**FEDERAL FINANCIAL COMPLIANCE SECTION**

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended June 30, 2008**

Federal Grantor/ Pass-Through Grantor Program or Cluster Title	CFDA Number	Project Number	Federal Expenditures 7/1/07 - 6/30/08
<b>U.S. Department of Education:</b>			
<i>Passed through Illinois State Board of Education</i>			
(M) Fed. Sp. Ed. - Pre-School Discretionary	84.173A	07-4605-00	\$ 75,563
(M) Fed. Sp. Ed. - Pre-School Discretionary	84.173A	08-4605-00	279,208
Total Illinois State Board of Education			<u>354,771</u>
 <i>Passed through Regional Office of Education #2</i>			
Title I - Grants to Local Education Agencies	84.010A	08-4331-00	29,762
Improving Teacher Quality State Grants	84.367A	08-4935-00	4,466
Total Regional Office of Education #2			<u>34,228</u>
 <i>Passed through Regional Office of Education #21</i>			
McKinney Education for Homeless Children	84.196A	08-4920-00	10,432
Total Regional Office of Education #21			<u>10,432</u>
Total U.S. Department of Education			<u>399,431</u>
 <b>U.S. Department of Labor:</b>			
<i>Passed through Mid-5 Employment &amp; Training, Inc.</i>			
Workforce Investment Act Youth Activities	17.259	Y70-PY07-01	27,000
Total Mid-5 Employment & Training, Inc.			<u>27,000</u>
 <i>Passed through Wabash Area Development, Inc.</i>			
Workforce Investment Act Youth Activities	17.259	WIA-ISY-PY07	12,551
Total Wabash Area Development, Inc.			<u>12,551</u>
Total U.S. Department of Labor			<u>39,551</u>
 <b>U.S. Department of Agriculture:</b>			
<i>Passed through Illinois State Board of Education</i>			
National School Lunch Program	10.555	07-4210-00	1,417
National School Lunch Program	10.555	08-4210-00	9,022
Total National School Lunch Program			<u>10,439</u>
School Breakfast Program	10.553	08-4220-00	2,154
Total Illinois State Board of Education			<u>12,593</u>
Total U.S. Department of Agriculture			<u>12,593</u>
 <b>U.S. Forestry Department:</b>			
<i>Passed through Illinois Department of Natural Resources</i>			
Federal Forest Reserve	10.670	08-4473-00	18,840
Total Illinois Department of Natural Resources			<u>18,840</u>
<b>TOTAL</b>			<u><u>\$ 470,415</u></u>

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

**EDWARDS, HARDIN, GALLATIN, POPE, SALINE, WABASH,  
WAYNE, AND WHITE COUNTIES  
REGIONAL OFFICE OF EDUCATION #20**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended June 30, 2008**

**1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Regional Office of Education #20 and is presented 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.

**2. SUBRECIPIENTS**

Of the federal expenditures presented in the schedule, the Regional Office of Education #20 provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Federal Forest Reserve	10.670	<u>\$18,840</u>

**3. DESCRIPTIONS OF MAJOR FEDERAL PROGRAMS**

**Fed. Sp. Ed. – Pre-School - Discretionary** - This fund is used to account for the federal grant which promotes increasing public awareness of the availability of services and locating, identifying and evaluating children suspected of having disabilities.

**4. NON-CASH ASSISTANCE**

The note is not applicable to Regional Office of Education #20.

**5. AMOUNT OF INSURANCE**

The note is not applicable to Regional Office of Education #20.

**6. LOANS OR LOAN GUARANTEES OUTSTANDING**

The note is not applicable to Regional Office of Education #20.