

State of Illinois
TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53
FINANCIAL AUDIT
For the Year Ended June 30, 2007

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

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53

TABLE OF CONTENTS

	Page
Officials	4
Compliance Report Summary	5
<u>FINANCIAL SECTION – BASIC FINANCIAL STATEMENTS</u>	
Financial Statement Report Summary	6
Independent Auditors' Report	7-8
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	9-10
<u>SCHEDULE OF FINDINGS AND QUESTIONED COSTS AND CORRECTIVE ACTION PLAN</u>	
Schedule of Findings and Questioned Costs	
Section I - Summary of Auditor's Results	11-12
Section II - Financial Statement Findings	13-14
Section III – Federal Award Findings	15
Corrective Action Plan for Current-Year Audit Findings	16
Summary Schedule of Prior Audit Findings	17
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS</u>	
Management's Discussion and Analysis	18-22

TABLE OF CONTENTS

BASIC FINANCIAL STATEMENTS

Government-wide financial statements:	
Statement of Net Assets	23
Statement of Activities	24
Fund Financial Statements:	
Balance Sheet - Governmental Funds	25
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	26
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities - Governmental Funds	28
Statement of Net Assets - Proprietary Funds	29
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	30
Statement of Cash Flows – Proprietary Funds	31
Statement of Fiduciary Net Assets – Fiduciary Funds	32
Statement of Changes in Fiduciary Net Assets – Fiduciary Fund	33
Notes to the Financial Statements	34-49

REQUIRED SUPPLEMENTARY INFORMATION
(Other than Management’s Discussion and Analysis)

Illinois Municipal Retirement Fund – Schedule of Funding Progress	50
---	----

OTHER SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule – General Fund – ROE Operations	51
Combining Schedule of Accounts -- Education Fund	52-53
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Education Fund Accounts	54
Budgetary Comparison Schedules – Education Fund Accounts	55
Combining Balance Sheet – Nonmajor Special Revenue Funds	56
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	57
Combining Statement of Fiduciary Net Assets – Agency Funds	58
Combining Statement of Changes in Assets and Liabilities – Agency Funds	59
Schedule of Disbursements to Other Entities – Distributive Fund	60

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53

OFFICIALS

Regional Superintendent

Mr. Robin G. Houchin
(Current and during audit period)

Assistant Regional Superintendent

Ms. Gail Owen
(Current and during audit period)

Offices are located at:

Tazewell Building
414 Court Street, Suite 104
Pekin, Illinois 61555-0699

FINANCIAL REPORT SUMMARY

The financial 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' report does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	1	1
Repeated audit findings	0	1
Prior recommendations implemented or not repeated	1	1

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
Findings (Government Auditing Standards)		
07-1	13-14	Controls over financial statement preparation
Prior Findings not Repeated (Government Auditing Standards)		
06-1	17	Controls over compliance with laws and regulations
Prior Findings not Repeated (Federal Compliance)		
No Findings		

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on November 13, 2007. Attending were Regional Superintendent Robin Houchin and auditor Mark Reinken. Responses to the recommendations were provided by Robin Houchin in a letter dated May 12, 2008.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of Tazewell County Regional Office of Education #53 was performed by Ginoli & Company Ltd.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #53's basic financial statements.



GINOLI & COMPANY LTD

Certified Public Accountants and Business Consultants

411 Hamilton Blvd., Suite 1616, Peoria, Illinois 61607-1104 / 309 671-2350
Morton Lane 309 266-5923 / Teletax: 309 671-5459 / email@ginolicepa.com

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 Tazewell County Regional Office of Education #53, as of and for the year ended June 30, 2007, which collectively comprise the Tazewell County Regional Office of Education #53's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Tazewell County Regional Office of Education #53's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tazewell County Regional Office of Education #53, as of June 30, 2007, 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 August 1, 2008 on our consideration of the Tazewell County Regional Office of Education #53'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 18 through 22 and page 50 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 Tazewell County Regional Office of Education #53's basic financial statements. The combining and individual nonmajor fund financial statements, Schedule of Disbursements to Other Entities – Distributive Fund, and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, Schedule of Disbursements to Other Entities – Distributive Fund, and budgetary comparison schedules 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.

GINOLI & COMPANY LTD

GINOLI & COMPANY LTD
Certified Public Accountants

Pecoria, Illinois
August 1, 2008

**GINOLI & COMPANY LTD****Certified Public Accountants and Business Consultants**

411 Hamilton Blvd., Suite 1616, Peoria, Illinois 61602-1104 / 309 671 2350
Morton Line: 309 266-5923 / Telefax: 309 671-5459 / email@ginolicpa.com

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tazewell County Regional Office of Education #53, as of and for the year ended June 30, 2007, which collectively comprise the Tazewell County Regional Office of Education #53's basic financial statements and have issued our report thereon dated August 1, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tazewell County Regional Office of Education #53'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 our opinion on the effectiveness of the Tazewell County Regional Office of Education #53's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting, 07-1.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered material weaknesses. However, we consider item 07-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tazewell County Regional Office of Education #53'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*.

Tazewell County Regional Office of Education #53's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Tazewell County Regional Office of Education #53's response and, accordingly, we express no opinion on it.

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



GINOLI & COMPANY LTD
Certified Public Accountants

Peoria, Illinois
August 1, 2008

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified
(unqualified, qualified, adverse, disclaimer)

Internal control over financial reporting:

- Material weakness(es) identified? X yes 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 no
Not applicable
- Significant deficiency (ies) identified that are not considered to be material weakness(es) yes none reported
Not applicable

Type of auditor's report issued on compliance for major programs: N/A
(unqualified, qualified, adverse, disclaimer)

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

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2007
 (CONTINUED)

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
Not applicable	

Dollar threshold used to distinguish between
 Type A and Type B programs: \$ N/A

Auditee qualified as low-risk auditee yes no X n/a

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2007

FINDING NO. 07-1 - Controls Over Financial Statement Preparation

Criteria/Specific Requirement:

The Tazewell County Regional Office of Education #53 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Tazewell County Regional Office of Education #53 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, fixed assets, or deferred revenues.
- The Regional Office did not maintain adequate controls over the financial reporting process and numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.

Effect:

Management or employees in the normal course of performing their assigned functions may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Cause:

According to Regional Office officials, they did not have adequate funding to hire and/or train their accounting personnel in order to comply with these requirements.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2007

FINDING NO. 07-1 - Continued

Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Tazewell County Regional Office of Education #53 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

Management's Response:

The Regional Office of Education #53 understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Regional Office accepts the degree of risk associated with this condition because the added expense of seeking additional accounting expertise to prepare and/or review financial statements would take away from the funds available to provide educational services for the schools in the region.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

Section III: Findings Related to Federal Awards:

There were no findings for the fiscal year ended June 30, 2007.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
CORRECTIVE ACTION PLAN
JUNE 30, 2007

Corrective Action Plan

Finding No: 07-1

Condition:

The Tazewell County Regional Office of Education #53 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, fixed assets, or deferred revenues.
- The Regional Office did not maintain adequate controls over the financial reporting process and numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.

Corrective Action Plan:

The Regional Office of Education #53 understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Regional Office accepts the degree of risk associated with this condition because the added expense of seeking additional accounting expertise to prepare and/or review financial statements would take away from the funds available to provide educational services for the schools in the region.

Anticipated Date of Completion:

Undetermined

Contact Person:

Robin Houchin, Regional Superintendent

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2007

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
06-1	A. Public Act 95-496 repealed the requirements of 105 ILCS 5/3- 14.11	Resolved
	B. Submit quarterly reports to county board as required under 105 ILCS 5/3-5	Resolved
	C. Public Act 95-496 repealed the requirements of 105 ILCS 5/3-14.5	Resolved

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53

MANAGEMENT'S DISCUSSION AND ANALYSIS

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

The Regional Office of Education #53 for Tazewell County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2007. Readers are encouraged to consider information in conjunction with the Regional Office's financial statements, which follow.

2007 Financial Highlights

- Within the Governmental Funds, the General Fund revenues increased by \$26,008 from \$488,025 in fiscal year 2006 to \$514,033 in fiscal year 2007. General fund expenditures increased by \$26,008 from \$488,025 in FY06 to \$514,033 in FY07.
- Within the Governmental Funds, the Special Revenue Fund revenue decreased by \$50,333 from \$856,294 in FY06 to \$805,961 in 2007. The Special Revenue Fund expenditures decreased by \$39,534 from \$851,898 in FY06 to \$812,364 in FY07. The decrease is due primarily to no longer running the Reading First Grant and a decrease in operating the RESPRO program. Increase in revenue from the Regional Safe Schools grant and a lower salary obligation due to not being able to hire a qualified consultant helped to offset the reduction in revenue.

Using This Report

This 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 Regional Office'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 Office's finances.
- 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 needed for a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements and supplementary information provides detailed information about the non-major funds.

Reporting the Office 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 #53 as a whole. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid, using accounting methods similar to those used by private sector companies.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

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 can be 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.

The Government-wide financial statements present the Office's activities as governmental and business-type activities. Local, state and federal aid finance most of these activities.

The fund financial statements provide detailed information about the Regional Office's funds, focusing on its most significant or "major" funds. Funds are accounting devices which allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by state law. The Regional Office of Education #53 established other funds to control and manage money for particular purposes.

The Office has three kinds of funds:

- 1) Governmental funds account for all of the Office's services. These focus on how cash and other assets that can readily be converted to cash, flow in and out as well as 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 resources that can be spent in the near future to finance the Office's programs. The Office's Governmental funds include: the General Fund and the Special Revenue Funds.

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

- 2) Fiduciary funds are used to account for assets held by the Regional Office of Education #53 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

The fiduciary funds required financial statements include a Statement of Fiduciary Net Assets and Statement of Changes in Fiduciary Net Assets.

- 3) Proprietary funds are used to account for revenues earned and expenses incurred for goods and services provided to school districts in the county. The proprietary funds required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Fund Net Assets, and a Statement of Cash Flows.

Office-Wide Financial Analysis

As noted earlier, net assets may serve, when examined over time, as one indicator of the financial position of the Regional Office. The net assets at the end of FY06 totaled \$340,910. At the end of FY07, the net assets were \$371,943, an increase of \$31,033. The analysis that follows provides a summary of the Office's net assets at June 30, 2007, for the governmental and business type activities.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

CONDENSED STATEMENT OF NET ASSETS

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Current Assets	\$345,274	\$298,183	\$264,066	\$228,773	\$609,340	\$526,956
Capital Assets, being depreciated, net	<u>40,000</u>	<u>42,059</u>	<u>248</u>	<u>363</u>	<u>40,248</u>	<u>42,422</u>
Total Assets	<u>\$385,274</u>	<u>\$340,242</u>	<u>\$264,314</u>	<u>\$229,136</u>	<u>\$649,588</u>	<u>\$569,378</u>
Current Liabilities	\$259,332	\$205,838	\$ 11,162	\$ 15,479	\$270,494	\$221,317
Noncurrent Liabilities	<u>7,151</u>	<u>7,151</u>	<u>-</u>	<u>-</u>	<u>7,151</u>	<u>7,151</u>
Total Liabilities	<u>\$266,483</u>	<u>\$212,989</u>	<u>\$ 11,162</u>	<u>\$ 15,479</u>	<u>\$277,645</u>	<u>\$228,468</u>
Net Assets:						
Invested in Capital Assets, net of related debt	\$ 32,849	\$ 34,908	\$ 248	\$ 363	\$ 33,097	\$ 35,271
Unrestricted	43,310	52,678	252,904	213,294	296,214	265,972
Restricted for teacher professional development	<u>42,632</u>	<u>39,667</u>	<u>-</u>	<u>-</u>	<u>42,632</u>	<u>39,667</u>
Total Net Assets	<u>\$118,791</u>	<u>\$127,253</u>	<u>\$253,152</u>	<u>\$213,657</u>	<u>\$371,943</u>	<u>\$340,910</u>

The Regional Office of Education's net assets increased by \$31,033 from FY06 to FY07.

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

CHANGES IN NET ASSETS

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
REVENUES:						
Program Revenues:						
Operating grants and contributions	\$ 951,778	\$ 985,806	\$ -	\$ -	\$ 951,778	\$ 985,806
Charges for services	-	-	61,081	85,474	61,081	85,474
General Revenues:						
Local sources	55,828	49,617	-	-	55,828	49,617
State sources	1,000	1,000	-	-	1,000	1,000
Interest income	-	-	6,220	2,861	6,220	2,861
Administrative On-behalf payments	<u>314,388</u>	<u>307,896</u>	<u>-</u>	<u>-</u>	<u>314,388</u>	<u>307,896</u>
Total Revenues	<u>\$1,322,994</u>	<u>\$1,344,319</u>	<u>\$ 67,301</u>	<u>\$ 88,335</u>	<u>\$1,390,295</u>	<u>\$1,432,654</u>
EXPENDITURES:						
Salaries and benefits	\$ 176,383	\$ 222,075	\$ -	\$ -	\$ 176,383	\$ 222,075
Purchased services	174,992	145,302	27,600	43,222	202,592	188,524
Supplies and materials	16,390	30,739	91	756	16,481	31,495
Other Objects	631,013	633,911	-	-	631,013	633,911
Depreciation expense	18,290	24,611	115	115	18,405	24,726
Administrative: On-behalf payments	<u>314,388</u>	<u>307,896</u>	<u>-</u>	<u>-</u>	<u>314,388</u>	<u>307,896</u>
Total Expenditures	<u>\$1,331,456</u>	<u>\$1,364,534</u>	<u>\$ 27,806</u>	<u>\$ 44,093</u>	<u>\$1,359,262</u>	<u>\$1,408,627</u>
Increase (decrease) before transfers	\$ (8,462)	\$ (20,215)	\$ 39,495	\$ 44,242	\$ 31,033	\$ 24,027
Transfers	-	-	-	-	-	-
Increase (decrease) in net assets	\$ (8,462)	\$ (20,215)	\$ 39,495	\$ 44,242	\$ 31,033	\$ 24,027
Net assets – beginning of year	<u>127,253</u>	<u>147,468</u>	<u>213,657</u>	<u>169,415</u>	<u>340,910</u>	<u>316,883</u>
Net assets – end of year	<u>\$ 118,791</u>	<u>\$ 127,253</u>	<u>\$253,152</u>	<u>\$213,657</u>	<u>\$371,943</u>	<u>\$ 340,910</u>

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

The overall increase in net assets was due to a variety of changes, including increases in cash balance, other receivable assets, prepaid expenses and business-type activities. Governmental activity revenue and expenditures remained relatively consistent overall.

Financial Analysis of the Regional Office of Education #53 Funds

As previously noted, the Regional Office of Education #53 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Office's Governmental Funds reported combined fund balances of \$85,942, \$6,403 less than FY06 and its Proprietary Funds reported combined fund balances of \$253,152, \$39,495 more than FY06.

Governmental Fund Highlights

- For the first time in four years, the State of Illinois funding for the ROE operations grant was increased, rather than decreased, \$33,705 from \$183,950 in 2006 to \$217,655, an approximate increase of 18%, compared to the nearly 20% accumulative decreases in the previous three years.
- County support for the Regional Office of Education #53 increased by approximately 2% for non-personnel funds, from a budget of approximately \$7,000 to just under \$7,200.
- There was an increase in the state aid foundation level to \$5,334 from \$5,164 per student, affecting the Safe School GSA. Additionally, The Safe School grant was slightly higher than the previous year by approximately \$4,000.

Proprietary Fund Highlights

- The Fingerprinting Fund continues to increase due to the number of non-educational personnel that come to the office for printing. Revenues exceeded expenditures by \$2,474.
- Local Fund revenues decreased around 33% over the prior year with costs decreasing about 59%. These decreases were primarily due to offering more free workshops and a reduction in consultant fees expense due to a state employee running the workshop but not receiving extra compensation.

Budgetary Highlights

The Regional Office of Education #53 annually adopts budgets for several funds, but does not adopt a formal budget for all governmental funds, nor are they legally required to do so. These budgets serve as guidelines for activities and expenditures. Funds for which budgets are prepared are Learn and Serve America Grant, McKinney Education for Homeless Children, Regional Service Provider/System of Support, and ROE Operations. All grant budgets are prepared by the Regional Office of Education #53 and submitted to the granting agency for approval. Amendments must be submitted under

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

guidelines established by the granting agency. Schedules showing the grant budget amounts compared to the Office's actual grant activity are included in other supplementary information in this report. The Regional Superintendent also prepares an annual budget for expenditures to be paid on the Office's behalf by Tazewell County and submits it to the County Board for their approval. This budget covers the fiscal year which runs from December 1 to November 30.

Capital Assets

Capital Assets of the Regional Office of Education #53 include office equipment, computers, audio-visual equipment and office furniture. The Regional Office of Education #53 maintains an inventory of capital assets which have accumulated over time. The net decrease for FY07 was \$2,174 due to depreciation.

Economic Factors and Next Year's Budget

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

- The State of Illinois Foundation level is scheduled to increase significantly during the 2007-2008 school year. This will have a positive effect on the funding for the Safe School Program.
- The interest rate on investments continues to hold steady and will result in continued interest earnings somewhat higher than in previous years.
- Several grants have remained at or near previous levels.
- The National Board of Professional Teaching Standards grant will no longer be facilitated through ROE 53.
- The county board support will increase by 2% for FY08.
- An additional full-time consultant has been employed.

Contacting the Regional Office's Financial Management

This financial report is designed to provide the Regional Office's citizens, taxpayers, clients and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent of the Regional Office of Education #53 at 414 Court St., Pekin, IL 61554. Ph. 309-447-2290.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53

BASIC FINANCIAL STATEMENTS

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
STATEMENT OF NET ASSETS
JUNE 30, 2007

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 301,024	\$ 261,286	\$ 562,310
Accounts receivable	-	2,780	2,780
Due from other funds	10,000	-	10,000
Due from other governmental units:			
State	8,005	-	8,005
Other receivable	14,245	-	14,245
Prepaid expenses	12,000	-	12,000
Total current assets	<u>\$ 345,274</u>	<u>\$ 264,066</u>	<u>\$ 609,340</u>
Noncurrent assets:			
Capital assets, net of depreciation	\$ 40,000	\$ 248	\$ 40,248
Total noncurrent assets	<u>\$ 40,000</u>	<u>\$ 248</u>	<u>\$ 40,248</u>
Total Assets	<u>\$ 385,274</u>	<u>\$ 264,314</u>	<u>\$ 649,588</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 23,333	\$ 1,162	\$ 24,495
Due to other funds	-	10,000	10,000
Due to other governmental units:			
State	20,191	-	20,191
Deferred revenue	215,808	-	215,808
Total current liabilities	<u>\$ 259,332</u>	<u>\$ 11,162</u>	<u>\$ 270,494</u>
Noncurrent liabilities:			
Capital lease payable	\$ 7,151	\$ -	\$ 7,151
Total noncurrent liabilities	<u>\$ 7,151</u>	<u>\$ -</u>	<u>\$ 7,151</u>
Total Liabilities	<u>\$ 266,483</u>	<u>\$ 11,162</u>	<u>\$ 277,645</u>
<u>NET ASSETS</u>			
Investment in capital assets, net of related debt	\$ 32,849	\$ 248	\$ 33,097
Unrestricted	43,310	252,904	296,214
Restricted for teacher professional development	42,632	-	42,632
Total Net Assets	<u>\$ 118,791</u>	<u>\$ 253,152</u>	<u>\$ 371,943</u>

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

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

FUNCTIONS/PROGRAMS	Program Revenue		Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
Primary government:					
Governmental activities:					
Instructional activities:					
Salaries and benefits	\$ 176,383	\$ 176,383	\$ -	\$ -	\$ -
Purchased services	174,992	122,849	(52,143)	-	(52,143)
Supplies and materials	16,390	12,582	(3,808)	-	(3,808)
Capital outlay	-	16,231	16,231	-	16,231
Other objects	631,013	623,733	(7,280)	-	(7,280)
Unallocated depreciation expense	18,290	-	(18,290)	-	(18,290)
Administrative:					
On-behalf payments	314,388	-	(314,388)	-	(314,388)
Total governmental activities	\$ 1,331,456	\$ 951,778	\$ (379,678)	\$ -	\$ (379,678)
Business-type activities:					
Other	\$ 27,806	\$ 61,081	\$ -	\$ 33,275	\$ 33,275
Total business-type activities	\$ 27,806	\$ 61,081	\$ -	\$ 33,275	\$ 33,275
Total primary government	\$ 1,359,262	\$ 61,081	\$ (379,678)	\$ 33,275	\$ (346,403)
General Revenues:					
Local sources			\$ 55,828	\$ -	\$ 55,828
State sources			1,000	-	1,000
Federal sources			-	-	-
Administrative:					
On-behalf payments			314,388	-	314,388
Interest income			-	6,220	6,220
Total general revenues			\$ 371,216	\$ 6,220	\$ 377,436
Changes in net assets			\$ (8,462)	\$ 39,495	\$ 31,033
Net assets, beginning			127,253	213,657	340,910
Net assets, ending			\$ 118,791	\$ 253,152	\$ 371,943

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

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007

	<u>ASSETS</u>		Education		Institute	Media		Teacher		Total		
	General Fund	Education Fund	Institute Fund	Cooperative Fund	Leadership Academy	Nonmajor Funds	Governmental Funds					
Cash	\$ (6,748)	\$ 133,522	\$ 92,546	\$ 32,244	\$ 37,895	\$ 11,565	\$ 301,024					
Due from other funds	-	-	10,000	-	-	-	10,000					
Due from other governmental units:												
State	-	8,005	-	-	-	-	8,005					
Other receivables	-	14,245	-	-	-	-	14,245					
Prepaid expenses	12,000	-	-	-	-	-	12,000					
Total Assets	\$ 5,252	\$ 155,772	\$ 102,546	\$ 32,244	\$ 37,895	\$ 11,565	\$ 345,274					
Accounts payable	\$ -	\$ 22,150	\$ 684	\$ -	\$ -	\$ 499	\$ 23,333					
Due to other governmental units												
State	1,138	19,053	-	-	-	-	20,191					
Deferred revenue	4,114	114,569	59,230	-	37,895	-	215,808					
Total Liabilities	\$ 5,252	\$ 155,772	\$ 59,914	\$ -	\$ 37,895	\$ 499	\$ 259,332					
<u>FUND BALANCES</u>												
Unreserved, reported in:												
General fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
Special revenue funds	-	-	42,632	32,244	-	11,066	85,942					
Total Fund Balances	\$ -	\$ -	\$ 42,632	\$ 32,244	\$ -	\$ 11,066	\$ 85,942					
Total Liabilities and Fund Balances	\$ 5,252	\$ 155,772	\$ 102,546	\$ 32,244	\$ 37,895	\$ 11,565	\$ 345,274					

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

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2007

Total Fund Balances - Governmental Funds	\$ 85,942
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	40,000
Capital lease payable has been added to the liabilities in the Statement of Net Assets and is currently charged to capital expenditures in the governmental funds.	<u>(7,151)</u>
Net assets of governmental activities	<u>\$ 118,791</u>

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

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	General Fund	Education Fund	Institute Fund	Media Cooperative Fund	Teacher Leadership Academy	Nonmajor Funds	Total Governmental Funds
REVENUES:							
Local sources	\$ -	\$ -	\$ 31,769	\$ 1,645	\$ 11,245	\$ 11,169	\$ 55,828
State sources	207,403	716,399	-	-	-	1,600	925,402
Federal sources	-	27,376	-	-	-	-	27,376
On-behalf payments	309,630	4,758	-	-	-	-	314,388
Total Revenues	\$ 517,033	\$ 748,533	\$ 31,769	\$ 1,645	\$ 11,245	\$ 12,769	\$ 1,322,994
EXPENDITURES:							
Education:							
Salaries and benefits	\$ 115,820	\$ 60,563	\$ -	\$ -	\$ -	\$ -	\$ 176,383
Purchased services	59,675	62,574	21,174	11,347	11,245	8,977	174,992
Supplies and materials	10,252	2,330	959	-	-	2,849	16,390
Capital outlay	15,276	955	-	-	-	-	16,231
Other objects	6,380	617,353	6,671	-	-	609	631,013
On-behalf payments	309,630	4,758	-	-	-	-	314,388
Total Expenditures	\$ 517,033	\$ 748,533	\$ 28,804	\$ 11,347	\$ 11,245	\$ 12,435	\$ 1,329,397
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ 2,965	\$ (9,702)	\$ -	\$ 334	\$ (6,403)
OTHER FINANCING SOURCES (USES):							
Other financing sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other financing uses	-	-	-	-	-	-	-
Net other sources (uses) of financial resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ 2,965	\$ (9,702)	\$ -	\$ 334	\$ (6,403)
Fund balances - Beginning	-	-	39,667	41,946	-	10,732	92,345
Fund balances - Ending	\$ -	\$ -	\$ 42,632	\$ 32,244	\$ -	\$ 11,066	\$ 85,942

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

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
 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, 2007

Net change in fund balances \$ (6,403)

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

Governmental funds report capital outlays as expenditures, however in
 the Statement of Activities the cost of those assets is allocated over
 their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 16,231	
Depreciation expense	(18,290)	(2,059)

Change in net assets of governmental activities \$ (8,462)

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

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2007

	Business-Type Activities Enterprise Funds		
	Local Fund	Fingerprinting Fund	Total
ASSETS			
Current assets:			
Cash	\$ 248,696	\$ 12,590	\$ 261,286
Accounts receivable	-	2,780	2,780
Total current assets	\$ 248,696	\$ 15,370	\$ 264,066
Noncurrent assets:			
Capital assets, net of accumulated depreciation:			
Equipment, Net	\$ 248	\$ -	\$ 248
Total Assets	\$ 248,944	\$ 15,370	\$ 264,314
LIABILITIES			
Current liabilities:			
Accounts payable	\$ -	\$ 1,162	\$ 1,162
Due to other funds	-	10,000	10,000
Total Liabilities	\$ -	\$ 11,162	\$ 11,162
NET ASSETS			
Investment in capital assets	\$ 248	\$ -	\$ 248
Unrestricted	248,696	4,208	252,904
Total Net Assets	\$ 248,944	\$ 4,208	\$ 253,152

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

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Business-Type Activities		
	<u>Enterprise Funds</u>		
	Local Fund	Fingerprinting Fund	Total
OPERATING REVENUES:			
Charges for services	\$ 38,030	\$ 23,051	\$ 61,081
OPERATING EXPENSES:			
Salaries and benefits	\$ -	\$ -	\$ -
Purchased services	7,023	20,577	27,600
Supplies and materials	91	-	91
Depreciation	115	-	115
Total Expenses	\$ 7,229	\$ 20,577	\$ 27,806
NET OPERATING INCOME	\$ 30,801	\$ 2,474	\$ 33,275
NONOPERATING REVENUE:			
Interest income	6,220	-	6,220
CHANGES IN NET ASSETS	\$ 37,021	\$ 2,474	\$ 39,495
TOTAL NET ASSETS - BEGINNING	211,923	1,734	213,657
TOTAL NET ASSETS - ENDING	\$ 248,944	\$ 4,208	\$ 253,152

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

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Business-Type Activities		
	<u>Enterprise Funds</u>		
	Local Fund	Fingerprinting Fund	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 38,053	\$ 24,550	\$ 62,603
Payments to suppliers and providers of goods and services	(7,114)	(24,894)	(32,008)
Net cash provided (used) by operating activities	\$ 30,939	\$ (344)	\$ 30,595
 Cash flows from investing activities:			
Interest income	\$ 6,220	\$ -	\$ 6,220
 Net increase (decrease) in cash	\$ 37,159	\$ (344)	\$ 36,815
 Cash - beginning	211,537	12,934	224,471
 Cash - ending	\$ 248,696	\$ 12,590	\$ 261,286
 Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 30,801	\$ 2,474	\$ 33,275
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	115	-	115
Changes in assets and liabilities:			
Accounts receivable	23	1,499	1,522
Accounts payable	-	(4,317)	(4,317)
Net cash provided (used) by operating activities	\$ 30,939	\$ (344)	\$ 30,595

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

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
JUNE 30, 2007

	Private-Purpose <u>Trust</u>	Agency <u>Funds</u>
ASSETS:		
Cash and cash equivalents	\$ 31,477	\$ 12,518
Total Assets	\$ 31,477	\$ 12,518
LIABILITIES:		
Due to other governmental units	\$ -	\$ 12,518
Total Liabilities	\$ -	\$ 12,518
NET ASSETS:		
Held in trust for other purposes	\$ 31,477	

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

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Private-Purpose <u>Trust</u>
ADDITIONS	
Investment earnings:	
Interest	\$ <u>1,084</u>
Total additions	<u>\$ 1,084</u>
DEDUCTIONS	
Benefits	<u>\$ -</u>
Total deductions	<u>\$ -</u>
Change in net assets	\$ 1,084
Net assets - beginning	<u>30,393</u>
Net assets - ending	<u>\$ 31,477</u>

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education's (ROE) accounting policies conform to generally accepted accounting principles which are appropriate for local governmental units of this type. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial reporting principles. The ROE also applies Financial Accounting Standards Board (FASB) Statements and interpretations issued on or before November 30, 1989 to its governmental and business-type activity funds, provided they do not conflict with or contradict GASB pronouncements.

A. Financial Reporting Entity

The Tazewell County Regional Office of Education #53 was formed as a result of an Educational Service Region becoming a Regional Office of Education on August 7, 1995. The ROE operates under the School Code (105 ILCS 5/3 and 5/3A). Regional Office of Education #53 encompasses Tazewell County in Illinois. A Regional Superintendent of Schools serves as chief administrative officer of the ROE and is elected pursuant to 105 ILCS 5/3 and 5/3a of the School Code. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general State aid, State categorical grants, and various other sources.

The Regional Superintendent is charged with responsibility for township fund lands, registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; inspection of public schools; direction of teachers and school officers; to serve as the official advisor and assistant to school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teacher meetings and assist in their management; evaluate the schools in the region; examine school treasurer's books, accounts, and vouchers; examine evidence of indebtedness; file and keep the returns of elections required to be returned to the Regional Superintendent's office; and file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of any monies distributed to treasurers, board presidents, clerks and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #53's districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required by law.

The Regional Superintendent is responsible for inspection and approval or rejection of school treasurers' bonds. The Regional Superintendent is also required to provide the State Board of Education with an affidavit showing that the treasurers of school districts under his control are properly bonded.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

A. Financial Reporting Entity - continued

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the region, or see that no payments are made unless the treasurer has filed or renewed appropriate bonds and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2007, the Regional Office of Education #53 applied for, received, and administered numerous State and federal programs and grants in assistance of the educational activities of the school districts in the region. Such activities are reported as a single major special revenue fund (Education Fund).

B. Scope of the Reporting Entity

The Regional Office of Education #53's reporting entity includes all related organizations for which they exercise oversight responsibility.

The ROE has developed criteria to determine whether outside agencies with activities which benefit the citizens of the ROE's geographic responsibility, including joint agreements which serve pupils from numerous school districts, should be included within its financial entity. The criteria include but are not limited to, whether the ROE exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The Mid-Illini Educational Cooperative, which began operations on August 8, 1995, has been determined to be a component unit of the ROE for financial reporting purposes after applying the manifesting of oversight, scope of public service and special financing relationships criteria and is therefore blended in the accompanying financial statements. The cooperative was formed by an intergovernmental agreement between Tazewell County Regional Office of Education #53, the administrative agent, Logan/Mason/Menard #38, and Fulton/Schuyler #22 Regional Offices of Education. The cooperative exists to provide training, staff development and educational programs to school districts and other educational organizations within the counties involved.

The districts and other joint agreements have been determined not to be part of the reporting entity after applying the manifesting of oversight, scope of public service and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #53 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #53 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #53 being considered a component unit of the entity.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

C. Basis of Presentation and Basis of Accounting

The financial activities of the Regional Office of Education #53 consist of governmental, proprietary, and fiduciary activities. For its reporting purposes, the ROE has separate fund and government-wide financial statements and reconciles individual line items of fund financial data to government-wide data. A brief description of the ROE's government-wide and fund financial statements is as follows:

Government-wide Statements: The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the ROE. The statements distinguish between governmental and business-type activities. The governmental activities are primarily supported by State and federal revenues. Business-type activities are financed by fees charged for goods or services. Fiduciary activities, when applicable, are not included in these statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the ROE gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. On an accrual basis, revenue from grants, entitlements, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e. general government) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include grants and contributions that are restricted to meeting the operation or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements.

Fund Financial Statements: The fund financial statements provide information about the ROE's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds are aggregated and reported in a single column. A fund is considered major if it is the primary operating fund of the ROE or meets the following criteria as described in GASB Statement No. 34:

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Basis of Presentation and Basis of Accounting - continued

- Total assets, liabilities, revenues, or expenditures, or expenses as appropriate, of that governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues, or expenditures, or expenses as appropriate, of the individual governmental or proprietary fund are at least 5 percent of the corresponding total for all governmental and proprietary funds combined.

The ROE has presented all major funds that met these criteria.

Governmental Funds – The Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Accounting records and reports made by ROE officials are maintained on the cash basis of accounting. Under this method, revenue is recorded when collected and expenditures are recorded when disbursements are made. For purposes of these financial statements, the accounting for all the funds has been converted to the modified accrual basis, as required by generally accepted accounting principles. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the ROE; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Major Funds - The ROE administers the following major governmental funds:

General Fund – The General Fund is the general operating fund of the ROE. The fund accounts for the ROE Operations grant which provides funding to plan and implement workshops benefiting teachers and administrators the ROE serves. The general fund also accounts for the ROE's on-behalf payments from the State of Illinois and the counties to pay the salary and benefits of the Regional Superintendent, Assistant Regional Superintendent and clerical staff.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

C. Basis of Presentation and Basis of Accounting – continued

Education Funds - to account for grant funds administered by the Regional Office of Education. Revenue is provided by federal and State of Illinois grant funds. A description of the ROE's Educational funds follows:

Learn and Serve America Grant – to provide funds to assist in the development of high-quality service-learning programs in elementary and secondary schools.

McKinney Education for Homeless Children to provide services to all homeless children and youths through a designated Homeless Liaison.

School & Community Assistance Team – a program that trains individuals for crisis management.

ROE/ISC Technology – to provide ROE's with a secure and stable network in which to conduct daily business due to servers containing sensitive information.

Scientific Literacy Programs – to provide funds to prepare and administer workshops for teachers.

Title I Reading First Grant – to provide funds which will focus on providing a significant increase in professional development to ensure that all teachers have the skills they need to teach programs that ensure all children can read at their grade level or above by the end of third grade.

Standard Aligned Classroom Grant to provide funds to prepare and administer workshops for teachers.

National Board for Professional Teaching Standards – to provide funds to help certify and train teachers for the advancement in quality of teaching and learning.

Title II Leadership – to provide funds for programs that focus on preparing, training, and recruiting high-quality teachers.

Title I School Improvement – to provide funds to school districts to help improve high-poverty schools and ensure that poor and minority children have the same opportunity as other children to meet challenging State academic standards.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Basis of Presentation and Basis of Accounting - continued

Regional Safe Schools – funds are transferred to Illinois Central College, the administrative agent, to run this program.

Alternative School Program – funds are transferred to Illinois Central College, the administrative agent, to run this program.

Regional System Provider/Federal System of Support - to provide funds to supply a regionalized system of support to assist schools in academic difficulty.

Institute Fund – This fund accounts for the ROE's stewardship of the assets held in trust for the benefit of the ROE's teachers. Fees are collected from registration of teachers' certificates of qualification. Monies are expended to conduct teachers' institutes, conferences and workshops.

Media Cooperative Fund – to account for maintenance of a cooperative media materials library for the benefit of the ROE's various school districts.

Teacher Leadership Academy -- to account for fees from local school districts to assist Mid-Illini Educational Cooperative with costs of providing training to educators.

Nonmajor Funds – All nonmajor funds are aggregated and reported in a single column. The ROE administers the following nonmajor governmental funds:

General Educational Development Fund - to account for the ROE's administration of the GED Testing Program. Revenues are received from testing and diploma fees.

Bus Driver Fund - to account for the ROE's stewardship of the assets held in trust in connection with the Bus Driver Training Program.

Supervisory Fund - to account for monies from the State of Illinois for expenditures incurred providing supervisory services in the county.

All governmental funds are special revenue funds except for the General Fund. Special revenue funds are used to account for revenues from specific sources that are legally restricted to disbursements for specified purposes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Basis of Presentation and Basis of Accounting - continued

Proprietary Funds – The Proprietary Fund financial statements include a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Fund Net Assets and Statement of Cash Flows. Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and delivering goods in connection with a proprietary funds' ongoing operations. The principal operating revenues of the ROE's proprietary funds are charges for workshops, consulting, and fingerprinting. Operating expenses of proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Local Fund – to account for revenues earned and expenses incurred in connection with conducting educational workshops.

Fingerprinting Fund - to account for revenues earned and expenses incurred in connection with the fingerprinting of teachers and others.

Fiduciary Funds – Fiduciary funds account for assets held by the ROE in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The ROE maintains the following fiduciary funds:

Private-Purpose Trust Fund – The Ogle Fund was established to provide periodic interest distributions to designated school districts.

Distributive Fund – an Agency fund that accounts for the pass-through of State aid and other monies from the Regional Office of Education to various schools within the region. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Interest on Distributions to Other Governmental Units - The schools within the ROE's geographic responsibility have signed formal agreements which allow the ROE to retain any interest earned during the year.

Detachment Fund – an Agency fund that accounts for the receipt and disbursement of monies from petitioners to cover the cost of detachment hearings. Receipts not expended are returned to the petitioner.

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures, or expenses as applicable, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. Measurement Focus/Basis of Accounting - continued

The government-wide statements and fund financial statements for proprietary funds are reported using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the ROE’s assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statements of Net Assets. The operating statements present changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

E. Budget and Budgetary Accounting

The ROE does not adopt a formal budget for all revenues and expenditures of the governmental funds, nor are they legally required to do so. The Regional Office of Education’s funds are controlled by the Regional Superintendent of Education and the State of Illinois. Funds for which budgets are prepared are Learn and Serve America Grant, McKinney Education for Homeless Children, Regional Service Provider/System of Support Grant, and ROE Operations.

F. Assets, Liabilities and Net Assets

Deposits and investments

The ROE’s cash and cash equivalents are considered to be demand deposits and short-term investments. All investment income is recognized as revenue in the appropriate fund’s Statement of Revenues, Expenditures and Changes in Fund Balance.

Receivables and payables

Transactions between funds and other entities that are representative of the recognition of revenues or expenditures are referred to as “due to/from” the other funds or entities. “Other Funds” are funds managed by the ROE. “Other Governmental Units” include the Federal Government or political subdivisions of the State of Illinois.

Accounts receivable represents amounts due to the ROE at the end of the year that will be received in the next year. These are amounts due from local sources.

Accounts payable represents amounts owed at the end of the year that will be paid in the next year. These are amounts due to vendors and others.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

F. Assets, Liabilities and Net Assets - continued

Capital assets

Capital assets, which include equipment, are reported in the government-wide financial statements. Capital assets, such as equipment, are defined as assets with a cost of \$500 or more. Capital assets are recorded at historical costs if purchased.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated over their estimated useful lives, 5-7 years for equipment, using the straight line method.

Deferred revenue

Deferred revenue arises when resources are received by the ROE before it has a legal claim to them, as when monies are received prior to incurring qualifying expenditures (unearned). In subsequent periods, when both revenue recognition criteria are met, or when the ROE has a legal claim to the resources, revenue is recognized.

Net assets

In the government-wide financial statements, equity is displayed in three components as follows:

Investment in capital assets-net of depreciation – This category groups all capital assets into one component of net assets. Accumulated depreciation on these assets reduces this category.

Unrestricted net assets – This category represents the net assets of the ROE that are not restricted for any project or other purpose.

Restricted for teacher professional development – Teacher registration fees are to be used to defray expenses connected with improving the technology necessary for the efficient processing of certificates as well as any expenses incidental to teacher institutes, workshops, or meetings of a professional nature that are designed to promote the professional growth of teachers. All funds generated remain restricted until expended only on these activities.

G. Use of Estimates

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

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

H. Intergovernmental Agreement

On July 1, 2003, the Regional Office of Education #53 entered into an Intergovernmental Agreement executed pursuant to the provisions of the Intergovernmental Cooperation Clause of the Illinois Constitution as well as the provisions of the Intergovernmental Cooperation Act of 1973 and the Illinois Admin. Code 525.110.

The name of the Educational Service delivery system formed is known as the Mid-Illini Educational Cooperative. The Tazewell County Regional Office of Education was designated as Administrative Agent and as Director.

I. Distributive Fund Interest

Any interest earned by the Distributive Fund is retained by the Tazewell County Regional Office of Education #53.

J. New Accounting Pronouncement

Effective June 30, 2007, the ROE adopted Governmental Accounting Standards Board Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. There was no impact on the ROE's financial statements as a result of adopting this Statement.

NOTE 2: DEPOSITS AND INVESTMENTS

The investment and deposit of ROE monies is governed by the provisions of the Illinois Revised Statutes. The ROE has no policy regarding custodial credit risk for deposits.

At June 30, 2007 the carrying amount of the ROE's deposits were \$43,995 for fiduciary funds, \$261,286 for proprietary funds and \$301,024 for governmental funds totaling \$606,305. The bank balances were \$43,996 for fiduciary funds, \$261,286 for proprietary funds, and \$344,456 for governmental funds totaling \$649,738. Of these balances, \$392,281 was covered by federal depository insurance and \$257,457 was collateralized with securities held in trust in the ROE's name.

NOTE 3: DUE FROM/TO OTHER FUNDS

As of June 30, 2007, the interfund account balances were as follows:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
Fingerprinting Fund	Institute Fund	\$10,000

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: DUE FROM/TO OTHER GOVERNMENTAL UNITS

Due to other governmental units consists of the following at June 30, 2007:

<u>Due to</u>	<u>Fund</u>	<u>Amount</u>
Illinois State Board of Education	Scientific Literacy (T.I.P.)	\$ 3,627
Illinois State Board of Education	Scientific Literacy (C.L.I.C.K.)	1,645
Illinois State Board of Education	Scientific Literacy Bonus	2,160
Illinois State Board of Education	Title II-Leadership	46
Illinois State Board of Education	Title I-School Improvement	10,370
Illinois State Board of Education	Title I-Reading First Part B	1,171
Illinois State Board of Education	ROE/ISC Technology	34
Illinois State Board of Education	General Fund	1,138
Illinois Central College	Distributive Fund	9,797
Various Local Educational Agencies	Distributive Fund	<u>2,721</u>
Total		<u>\$32,709</u>

Due from other governmental units consists of \$8,005 due from Two Rivers Professional Development Center to Standard Aligned Classroom for reimbursable expenditures.

NOTE 5: COMMON BANK ACCOUNT

The ROE does not maintain separate bank accounts for all funds. The accounting records being maintained show the portion of the common checking account balance attributable to each participating fund. The negative cash balance reflected in the General Fund is not a bank overdraft but rather is the portion of the common bank account attributable to that fund.

NOTE 6: CAPITAL ASSETS

Capital asset activity during the 2007 fiscal year was as follows:

Governmental Activities:

	Balance <u>7-01-06</u>	Additions	Deletions	Balance <u>6-30-07</u>
Equipment	\$345,499	\$16,231	\$ -	\$361,730
Less accumulated depreciation	<u>303,440</u>	<u>18,290</u>	<u>-</u>	<u>321,730</u>
Total Governmental	<u>\$ 42,059</u>	<u>\$ (2,059)</u>	<u>\$ -</u>	<u>\$ 40,000</u>

Business-Type activities:

	Balance <u>7-01-06</u>	Additions	Deletions	Balance <u>6-30-07</u>
Equipment	\$ 574	\$ -	\$ -	\$ 574
Less accumulated depreciation	<u>211</u>	<u>115</u>	<u>-</u>	<u>326</u>
Total Business-Type	<u>\$ 363</u>	<u>\$ (115)</u>	<u>\$ -</u>	<u>\$ 248</u>
Total Capital Assets	<u>\$ 42,422</u>	<u>\$ (2,174)</u>	<u>\$ -</u>	<u>\$ 40,248</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

The ROE 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 the 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 through June 30, 2007 was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer.

In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not part of this retirement plan. The employer THIS Fund contribution was 0.60 percent during the year ended June 30, 2007 and the member THIS Fund health insurance contribution was 0.80 percent.

The State of Illinois makes contributions directly to TRS on behalf of the ROE's TRS-covered employees.

- **On-behalf contributions**

The State of Illinois makes employer pension contributions on behalf of the ROE. For the year ended June 30, 2007, State of Illinois contributions were based on 9.78 percent of creditable earnings, and the ROE recognized revenue and expenditures of \$5,341 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2006 and June 30, 2005, the State of Illinois contribution rates as percentages of creditable earnings were 7.06 percent (\$7,643) and 11.76 percent (\$13,512), respectively.

The ROE makes other types of employer contributions directly to TRS.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: RETIREMENT FUND COMMITMENTS -- continued

A. Teachers' Retirement System of the State of Illinois - continued

• **2.2 formula contributions**

Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ending June 30, 2007 were \$317. Contributions for the years ended June 30, 2006 and June 30, 2005, were \$628 and \$666, respectively.

• **Federal and trust fund contributions**

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

For the year ended June 30, 2007, the employer pension contribution was 9.78 percent of salaries paid from federal and trust funds. For the year ended June 30, 2006, the employer contribution was 7.06 percent of salaries paid from those funds. For the year ended June 30, 2005, the employer pension contribution was 10.5 percent of salaries paid from those funds. For the year ended June 30, 2007, salaries totaling \$-0- were paid from federal and trust funds that required employer contributions of \$-0-. For the years ended June 30, 2006 and June 30, 2005, required ROE contributions were \$-0- and \$-0-, respectively.

• **Early Retirement Option**

The ROE 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 is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies for the Pipeline ERO).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: RETIREMENT FUND COMMITMENTS – continued

A. Teachers' Retirement System of the State of Illinois – continued

Under the ERO program that expired on June 30, 2005 and the Pipeline ERO, the maximum employer contribution is 100 percent of the member's highest salary used in the final average salary calculation.

Under the Modified ERO, the maximum employer contribution is 117.5 percent.

Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement.

For the year ended June 30, 2007, the ROE made no employer contributions under the Pipeline ERO and Modified ERO programs. For the years ended June 30, 2006 and June 30, 2005, the ROE made no employer ERO contributions.

- **Salary increases over 6 percent and excess sick leave.**

Public Act 94-0004 added two new employer contributions to TRS.

If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases up to 6 percent. For the years ended June 30, 2007 and 2006, there were no 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 to calculate final average salary, and the TRS total normal cost rate (17.60 percent of salary during the year ended June 30, 2007). For the years ended June 30, 2007 and 2006, there were no 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, 2006. The report for the year ended June 30, 2007 is expected to be available in late 2007.

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 Website at trs.illinois.gov.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: RETIREMENT FUND COMMITMENTS – continued

B. Illinois Municipal Retirement Fund

The ROE's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by State statute. The employer is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 17.36% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2006 was 5 years.

For December 31, 2006, the ROE's annual pension cost of \$8,242 was equal to the ROE's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.0% per year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2006 actuarial valuation were based on the 2002-2004 experience study.

TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contribution	Net Pension Obligation
12/31/06	\$ 8,242	100%	-
12/31/05	7,042	100%	-
12/31/04	10,009	100%	-
12/31/03	15,885	100%	-
12/31/02	9,858	100%	-
12/31/01	10,124	100%	-
12/31/00	13,622	100%	-
12/31/99	13,239	100%	-
12/31/98	11,341	100%	-
12/31/97	9,791	100%	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: ON-BEHALF PAYMENTS

The following 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:

Regional Superintendent salary	\$ 88,540
Assistant Regional Superintendent salary	79,686
Regional Superintendent benefits (Includes State paid insurance)	19,276
Assistant Regional Superintendent benefits (Includes State paid insurance)	12,390
TRS contributions	<u>5,341</u>
Total	<u>\$205,233</u>

The following salary and benefit data for other employees of the ROE was calculated based on data provided by Tazewell County:

Salaries	\$ 80,634
Benefits	<u>28,521</u>
Total	<u>\$109,155</u>

NOTE 9: CAPITAL LEASE - LESSEE DISCLOSURE

The ROE has a capitalized lease for office equipment. This lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "*Accounting for Leases*", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The assumption of capital leases are recorded as other financing sources and payments are reflected as other financing uses on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the governmental funds. Equipment acquired by lease is capitalized in the year of acquisition in the amount of the present value of the future minimum lease payments at the time of acquisition. This equipment was originally capitalized in the year ended June 30, 2005 in the amount of \$18,396.

Prepayments on the capital lease were made in June of 2005 to the extent that the next payment is due in May of 2008. There were no payments made on the lease for the year ended June 30, 2007. The principal balance on the lease at June 30, 2007 was \$7,151. The capital lease principal payments due are \$661 and \$6,490 for fiscal year 2008 and 2009, respectively.

NOTE 10: RISK MANAGEMENT

The Regional Office of Education #53 is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Regional Office has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with prior years. During the year ended June 30, 2007 and the two previous fiscal years, no settlement exceeded insurance coverage.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53

REQUIRED SUPPLEMENTARY INFORMATION
(Other than Management's Discussion and Analysis)

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
ILLINOIS MUNICIPAL RETIREMENT FUND- SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2007
(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)
12/31/06	\$ 191,893	\$ 203,184	\$ 11,291	94.44%	\$ 47,479	23.78%
12/31/05	167,470	184,537	17,067	90.75%	45,728	37.32%
12/31/04	147,369	168,017	20,648	87.71%	44,171	46.75%
12/31/03	134,478	153,986	19,508	87.33%	68,619	28.43%
12/31/02	196,927	243,684	46,757	80.81%	85,946	54.40%
12/31/01	169,677	217,036	47,359	78.18%	96,056	49.30%
12/31/00	252,145	268,610	16,465	93.87%	105,274	15.64%
12/31/99	206,039	222,089	16,050	92.77%	87,047	18.44%
12/31/98	164,463	193,122	28,659	85.16%	77,042	37.20%
12/31/97	133,709	172,281	38,572	77.61%	75,900	50.82%

On a market value basis, the actuarial value of assets as of December 31, 2006 is \$209,012. On a market basis, the funded ratio would be 102.87%.

*Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2006 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.

SLEP Member contribution rate changed from 6.50% to 7.50% effective June 1, 2006.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND - ROE OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
State sources	\$ 217,655	\$ 217,655	\$ 207,403	\$ (10,252)
On-behalf payments	-	-	309,630	309,630
Total Revenues	\$ 217,655	\$ 217,655	\$ 517,033	\$ 299,378
EXPENDITURES:				
Salaries and benefits	\$ 166,687	\$ 114,715	\$ 115,820	\$ 1,105
Purchased services	44,968	71,516	59,675	(11,841)
Supplies and materials	5,000	9,887	10,252	365
Capital outlay	-	15,280	15,276	(4)
Other objects	1,000	6,257	6,380	123
On-behalf payments	-	-	309,630	309,630
Total Expenditures	\$ 217,655	\$ 217,655	\$ 517,033	\$ 299,378
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES (USES):				
Other Financing Sources	\$ -	\$ -	\$ -	\$ -
Other Financing Uses	-	-	-	-
Net other sources and uses	\$ -	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE				
	\$ -	\$ -	\$ -	\$ -
Fund balance - Beginning	-	-	-	-
Fund balance - Ending	\$ -	\$ -	\$ -	\$ -

See accompanying Independent Auditors' Report.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
JUNE 30, 2007

		McKinney Education for Homeless Children	School & Community Assistance Team	ROE/ISC Technology	Scientific Literacy (T.I.P.)	Scientific Literacy (C.L.I.C.K.)	Title I Reading First Grant FY06	Standard Aligned Classroom Grant	National Board of Professional Teaching Standards
<u>ASSETS</u>									
Cash	\$ -	\$ 904	\$ 685	\$ 34	\$ 3,627	\$ 1,645	\$ 1,171	\$ 31,689	\$ 1,501
Due from other governmental units:									
State	-	-	-	-	-	-	-	8,005	-
Other receivable	-	-	-	-	-	-	-	-	14,245
Total Assets	\$ -	\$ 904	\$ 685	\$ 34	\$ 3,627	\$ 1,645	\$ 1,171	\$ 39,694	\$ 15,746
<u>LIABILITIES</u>									
Accounts payable	\$ -	\$ 904	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,500	\$ 15,746
Due to other governmental units:									
State	-	-	-	34	3,627	1,645	1,171	-	-
Deferred revenue	-	-	685	-	-	-	-	34,194	-
Total Liabilities	\$ -	\$ 904	\$ 685	\$ 34	\$ 3,627	\$ 1,645	\$ 1,171	\$ 39,694	\$ 15,746
<u>FUND BALANCES</u>									
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities and Fund Balances	\$ -	\$ 904	\$ 685	\$ 34	\$ 3,627	\$ 1,645	\$ 1,171	\$ 39,694	\$ 15,746

See accompanying Independent Auditors' Report.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2007

	Title II Leadership	Title I School Improvement	Scientific Literacy Bonus	Regional Safe Schools	Alternative School Program	Regional System Provider/ Federal System of Support	Total
Cash	\$ 46	\$ 10,370	\$ 2,160	\$ -	\$ -	\$ 79,690	\$ 133,522
Due from other governmental units:							
State	-	-	-	-	-	-	8,005
Other receivable	-	-	-	-	-	-	14,245
Total Assets	\$ 46	\$ 10,370	\$ 2,160	\$ -	\$ -	\$ 79,690	\$ 155,772
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,150
Due to other governmental units:							
State	46	10,370	2,160	-	-	-	19,053
Deferred revenue	-	-	-	-	-	79,690	114,569
Total Liabilities	\$ 46	\$ 10,370	\$ 2,160	\$ -	\$ -	\$ 79,690	\$ 155,772
<u>FUND BALANCES</u>							
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities and Fund Balances	\$ 46	\$ 10,370	\$ 2,160	\$ -	\$ -	\$ 79,690	\$ 155,772

See accompanying Independent Auditors' Report.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2007

	Learn and Serve America	McKinney Education for Homeless Children	Standard Aligned Classroom Grant	National Board of Professional Teaching Standards	Regional Safe Schools	Alternative School Program	Regional System Provider/ Federal System of Support	Total
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	41,815	36,853	343,932	273,421	20,378	716,399
Federal sources	4,782	17,500	-	-	-	-	5,094	27,376
On-behalf payments	-	-	3,227	-	-	-	1,531	4,758
Total Revenues	\$ 4,782	\$ 17,500	\$ 45,042	\$ 36,853	\$ 343,932	\$ 273,421	\$ 27,003	\$ 748,533
EXPENDITURES:								
Salaries and benefits	\$ -	\$ -	\$ 33,000	\$ 8,908	\$ -	\$ -	\$ 18,655	\$ 60,563
Purchased services	4,253	15,699	8,815	27,945	-	-	5,862	62,574
Supplies and materials	529	1,801	-	-	-	-	-	2,330
Capital outlay	-	-	-	-	-	-	955	955
Other objects	-	-	-	-	343,932	273,421	-	617,353
On-behalf payments	-	-	3,227	-	-	-	1,531	4,758
Total Expenditures	\$ 4,782	\$ 17,500	\$ 45,042	\$ 36,853	\$ 343,932	\$ 273,421	\$ 27,003	\$ 748,533
NET CHANGE IN FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances - Beginning	-	-	-	-	-	-	-	-
Fund balances - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying Independent Auditors' Report.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
 BUDGETARY COMPARISON SCHEDULES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2007

	Learn and Serve America Grant			McKinney Education for Homeless Children			Regional Service Provider/System of Support		
	Budgeted Original	Actual Final	Variance with Budget	Budgeted Original	Actual Final	Variance with Budget	Budgeted Original	Actual Final	Variance with Budget
REVENUES:									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	45,276	20,378	(24,898)
Federal sources	14,005	4,782	(9,223)	17,500	17,500	-	11,319	5,094	(6,225)
On-behalf payments	-	-	-	-	-	-	-	1,531	1,531
Total Revenues	\$ 14,005	\$ 4,782	\$ (9,223)	\$ 17,500	\$ 17,500	\$ -	\$ 56,595	\$ 27,003	\$ (29,592)
EXPENDITURES:									
Salaries and benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,500	\$ 18,655	\$ (18,845)
Purchased services	9,073	4,253	(4,820)	16,175	15,699	399	19,095	5,862	(13,233)
Supplies and materials	4,932	529	(4,403)	1,325	1,801	(399)	-	-	-
Capital outlay	-	-	-	-	-	-	-	955	955
Other objects	-	-	-	-	-	-	-	-	-
On-behalf payments	-	-	-	-	-	-	-	1,531	1,531
Total Expenditures	\$ 14,005	\$ 4,782	\$ (9,223)	\$ 17,500	\$ 17,500	\$ -	\$ 56,595	\$ 27,003	\$ (29,592)
NET CHANGE IN FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances - Beginning	-	-	-	-	-	-	-	-	-
Fund balances - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying Independent Auditors' Report.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

<u>ASSETS</u>	<u>G.E.D.</u> <u>Fund</u>	<u>Bus Driver</u> <u>Fund</u>	<u>Supervisory</u> <u>Fund</u>	<u>Total</u>
Cash	\$ 8,663	\$ 1,774	\$ 1,128	\$ 11,565
Total Assets	<u>\$ 8,663</u>	<u>\$ 1,774</u>	<u>\$ 1,128</u>	<u>\$ 11,565</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 499	\$ -	\$ -	\$ 499
Total Liabilities	<u>\$ 499</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 499</u>
<u>FUND BALANCES</u>				
Unreserved	\$ 8,164	\$ 1,774	\$ 1,128	\$ 11,066
Total Fund Balances	<u>\$ 8,164</u>	<u>\$ 1,774</u>	<u>\$ 1,128</u>	<u>\$ 11,066</u>
Total Liabilities and Fund Balances	<u>\$ 8,663</u>	<u>\$ 1,774</u>	<u>\$ 1,128</u>	<u>\$ 11,565</u>

See accompanying Independent Auditors' Report.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>G.E.D. Fund</u>	<u>Bus Driver Fund</u>	<u>Supervisory Fund</u>	Total
REVENUES:				
Local sources	\$ 8,676	\$ 2,150	\$ 343	\$ 11,169
State sources	-	600	1,000	1,600
Total Revenues	<u>\$ 8,676</u>	<u>\$ 2,750</u>	<u>\$ 1,343</u>	<u>\$ 12,769</u>
EXPENDITURES:				
Purchased services	\$ 5,859	\$ 2,620	\$ 498	\$ 8,977
Supplies and materials	2,831	-	18	2,849
Other objects	-	80	529	609
Total Expenditures	<u>\$ 8,690</u>	<u>\$ 2,700</u>	<u>\$ 1,045</u>	<u>\$ 12,435</u>
NET CHANGE IN FUND BALANCES	\$ (14)	\$ 50	\$ 298	\$ 334
Fund balances - Beginning	<u>8,178</u>	<u>1,724</u>	<u>830</u>	<u>10,732</u>
Fund balances - Ending	<u><u>\$ 8,164</u></u>	<u><u>\$ 1,774</u></u>	<u><u>\$ 1,128</u></u>	<u><u>\$ 11,066</u></u>

See accompanying Independent Auditors' Report.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
JUNE 30, 2007

<u>ASSETS</u>	<u>Distributive</u> <u>Fund</u>	Interest on <u>Distributions to Other</u> <u>Governmental Units</u>	<u>Detachment</u> <u>Fund</u>	<u>Total</u>
Cash	\$ 9,797	\$ 2,721	\$ -	\$ 12,518
Total Assets	\$ 9,797	\$ 2,721	\$ -	\$ 12,518
<u>LIABILITIES</u>				
Due to other governmental units	\$ 9,797	\$ 2,721	\$ -	\$ 12,518
Due to others	-	-	-	-
Total Liabilities	\$ 9,797	\$ 2,721	\$ -	\$ 12,518

See accompanying Independent Auditors' Report.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	Balance July 1, <u>2006</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2007</u>
<u>Distributive Fund</u>				
Assets:				
Cash	\$ 18,591	\$ 1,577,475	\$ 1,586,269	\$ 9,797
Total Assets	<u>\$ 18,591</u>	<u>\$ 1,577,475</u>	<u>\$ 1,586,269</u>	<u>\$ 9,797</u>
Liabilities:				
Due to other governmental units	\$ 18,591	\$ 1,577,475	\$ 1,586,269	\$ 9,797
Total Liabilities	<u>\$ 18,591</u>	<u>\$ 1,577,475</u>	<u>\$ 1,586,269</u>	<u>\$ 9,797</u>
 <u>Interest on Distributions to Other Governmental Units</u>				
Assets:				
Cash	\$ 2,450	\$ 271	\$ -	\$ 2,721
Total Assets	<u>\$ 2,450</u>	<u>\$ 271</u>	<u>\$ -</u>	<u>\$ 2,721</u>
Liabilities:				
Due to other governmental units	\$ 2,450	\$ 271	\$ -	\$ 2,721
Total Liabilities	<u>\$ 2,450</u>	<u>\$ 271</u>	<u>\$ -</u>	<u>\$ 2,721</u>
 <u>Detachment Fund</u>				
Assets:				
Cash	\$ -	\$ 1,000	\$ 1,000	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>
Liabilities:				
Due to others	\$ -	\$ 1,000	\$ 1,000	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>
 <u>Total</u>				
Assets:				
Cash	\$ 21,041	\$ 1,578,746	\$ 1,587,269	\$ 12,518
Total Assets	<u>\$ 21,041</u>	<u>\$ 1,578,746</u>	<u>\$ 1,587,269</u>	<u>\$ 12,518</u>
Liabilities:				
Due to other governmental units	\$ 21,041	\$ 1,577,746	\$ 1,586,269	\$ 12,518
Total Liabilities	<u>\$ 21,041</u>	<u>\$ 1,578,746</u>	<u>\$ 1,587,269</u>	<u>\$ 12,518</u>

See accompanying Independent Auditors' Report

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
 SCHEDULE OF DISBURSEMENTS TO OTHER ENTITIES
 DISTRIBUTIVE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Education for Employment	Mid-Illini Educational Cooperative	Regional Office of Education #53	Total
General State Aid	\$ -	\$ -	\$ 444,884	\$ 444,884
Vocational Education Second Program Imp.	487,844	-	-	487,844
Agriculture Education	11,961	-	-	11,961
School Bus Driver Training	-	-	600	600
Regional Safe School Program	-	-	191,060	191,060
Service Center Operations	-	212,655	-	212,655
Supervisory	-	-	1,000	1,000
Voc. Ed. Perkins Title IIC Secondary	223,171	-	-	223,171
Learn & Serve America	-	-	13,094	13,094
	<u>\$ 722,976</u>	<u>\$ 212,655</u>	<u>\$ 650,638</u>	<u>\$ 1,586,269</u>

See accompanying Independent Auditors' Report.