

State of Illinois
TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53
FINANCIAL AUDIT
For the Year Ended June 30, 2008

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

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53

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TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53

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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	1	0
Prior recommendations implemented or not repeated	0	1

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

An additional two matters which are less than a significant deficiency or material weakness but more than inconsequential, have been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, these issues may have been included as immaterial findings in the auditors' reports.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
Findings (Government Auditing Standards)			
08-1	13-14	Controls over financial statement preparation	Material Weakness

EXIT CONFERENCE

An exit conference was held on September 18, 2008. Attending were Regional Superintendent Robin Houchin and auditors Michael Remmele and Mark Reinken of Ginoli & Company Ltd. Responses to the recommendations were provided by Robin Houchin on January 28, 2009.

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

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Morton Line: 309 266-5923 / Telefax: 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, 2008, 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, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 20, 2009 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 52 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

Peoria, Illinois
March 20, 2009



**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, 2008, which collectively comprise the Tazewell County Regional Office of Education #53's basic financial statements and have issued our report thereon dated March 20, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 an opinion on the effectiveness of the Tazewell County Regional Office of Education #53's internal control over financial reporting. Accordingly, we do not express an 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 a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting, 08-1.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered material weaknesses. However, of the significant deficiencies described above, we consider item 08-1 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*.

We also noted certain matters which we have reported to management of the Tazewell County Regional Office of Education #53 in a separate letter dated March 20, 2009.

Tazewell County Regional Office of Education #53's response to the finding identified in our audit is 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

GINOLI & COMPANY LTD
Certified Public Accountants

Peoria, Illinois
March 20, 2009

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

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 no
Not applicable

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008
(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, 2008

FINDING NO. 08-1 - Controls Over Financial Statement Preparation (Repeat of prior year finding 07-1)

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.
- 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, 2008

FINDING NO. 08-1 - 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 management is currently confident with the abilities of the accounting staff to prepare cash basis financial information as needed for reporting throughout the year. Management will review year end reporting controls annually and investigate the cost of training staff to reach an appropriate level of expertise to do a comprehensive preparation and/or review of financial statements. Management will pursue additional training when it is considered cost beneficial since training costs 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
SECTION III - FEDERAL AWARD FINDINGS
FOR THE YEAR ENDED JUNE 30, 2008

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

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
CORRECTIVE ACTION PLAN
JUNE 30, 2008

Corrective Action Plan

Finding No: 08-1

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.
- 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 management is currently confident with the abilities of the accounting staff to prepare cash basis financial information as needed for reporting throughout the year. Management will review year end reporting controls annually and investigate the cost of training staff to reach an appropriate level of expertise to do a comprehensive preparation and/or review of financial statements. Management will pursue additional training when it is considered cost beneficial since training costs would take away from the funds available to provide educational services for the schools in the region.

Anticipated Date of Completion:

On-going

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, 2008

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
07-1	Controls over financial statement preparation	Repeated 08-1

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, 2008

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, 2008. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements, which follow.

2008 Financial Highlights

- Within the Governmental Funds, the General Fund revenues increased by \$62,125 from \$517,033 in fiscal year 2007 to \$579,158 in fiscal year 2008. General Fund expenditures increased by \$55,361 from \$517,033 in FY07 to \$572,394 in FY08.
- Within the Governmental Funds, the Special Revenue Fund revenue increased by \$12,293 from \$805,961 in FY07 to \$818,254 in 2008. The Special Revenue Fund expenditures increased by \$3,079 from \$812,364 in FY07 to \$815,443 in FY08.

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, 2008

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.

A summary reconciliation between the Government-wide financial statements and the fund financial statements follows the fund financial statements.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008

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 FY07 totaled \$371,943. At the end of FY08, the net assets were \$409,084, an increase of \$37,141. The analysis that follows provides a summary of the Office's net assets at June 30, 2008, for the governmental and business type activities.

CONDENSED STATEMENT OF NET ASSETS

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current Assets	\$350,117	\$345,274	\$282,745	\$264,066	\$632,862	\$609,340
Capital Assets, being depreciated, net	<u>38,679</u>	<u>40,000</u>	<u>133</u>	<u>248</u>	<u>38,812</u>	<u>40,248</u>
Total Assets	<u>\$388,796</u>	<u>\$385,274</u>	<u>\$282,878</u>	<u>\$264,314</u>	<u>\$671,674</u>	<u>\$649,588</u>
Current Liabilities	\$261,364	\$259,332	\$ 839	\$ 11,162	\$262,203	\$270,494
Noncurrent Liabilities	<u>387</u>	<u>7,151</u>	<u>-</u>	<u>-</u>	<u>387</u>	<u>7,151</u>
Total Liabilities	<u>\$261,751</u>	<u>\$266,483</u>	<u>\$ 839</u>	<u>\$ 11,162</u>	<u>\$262,590</u>	<u>\$277,645</u>
Net Assets:						
Invested in Capital Assets, net of related debt	\$ 38,292	\$ 32,849	\$ 133	\$ 248	\$ 38,425	\$ 33,097
Unrestricted	40,192	43,310	281,906	252,904	322,098	296,214
Restricted for teacher professional development	<u>48,561</u>	<u>42,632</u>	<u>-</u>	<u>-</u>	<u>48,561</u>	<u>42,632</u>
Total Net Assets	<u>\$127,045</u>	<u>\$118,791</u>	<u>\$282,039</u>	<u>\$253,152</u>	<u>\$409,084</u>	<u>\$371,943</u>

The Regional Office of Education's net assets increased from FY07 by \$37,141. The increase occurred primarily in the Governmental Fund as a result of increased on-behalf payments for salaries and benefits for the Regional Superintendent and Assistant Regional Superintendent, local on-behalf payments for TRS contributions, and fewer expenditures in purchased services and supplies and materials. In addition, net assets related to the Teacher Institute Fund are considered restricted for teacher professional development. The following analysis shows the changes in net assets for the years ended June 30, 2008 and 2007.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008

CHANGES IN NET ASSETS

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
REVENUES:						
Program Revenues:						
Operating grants and contributions	\$ 985,711	\$ 951,778	\$ -	\$ -	\$ 985,711	\$ 951,778
Charges for services	-	-	40,210	61,081	40,210	61,081
General Revenues:						
Local sources	40,040	55,828	-	-	40,040	55,828
State sources	1,600	1,000	-	-	1,600	1,000
Interest income	5,008	-	9,173	6,220	14,181	6,220
Administrative						
On-behalf payments	<u>358,289</u>	<u>314,388</u>	<u>-</u>	<u>-</u>	<u>358,289</u>	<u>314,388</u>
Total Revenues	<u>\$1,390,648</u>	<u>\$1,322,994</u>	<u>\$ 49,383</u>	<u>\$ 67,301</u>	<u>\$1,440,031</u>	<u>\$1,390,295</u>
EXPENDITURES:						
Salaries and benefits	\$ 225,861	\$ 176,383	\$ 1,429	\$ -	\$ 227,290	\$ 176,383
Purchased services	118,413	174,992	18,742	27,600	137,155	202,592
Supplies and materials	24,311	16,390	210	91	24,521	16,481
Other Objects	13,145	13,660	-	-	13,145	13,660
Transfers- payments to other govt units	627,066	617,353	-	-	627,066	617,353
Depreciation expense	15,309	18,290	115	115	15,424	18,405
Administrative:						
On-behalf payments	<u>358,289</u>	<u>314,388</u>	<u>-</u>	<u>-</u>	<u>358,289</u>	<u>314,388</u>
Total Expenditures	<u>\$1,382,394</u>	<u>\$1,331,456</u>	<u>\$ 20,496</u>	<u>\$ 27,806</u>	<u>\$1,402,890</u>	<u>\$1,359,262</u>
Increase (decrease) in net assets	\$ 8,254	\$ (8,462)	\$ 28,887	\$ 39,495	\$ 37,141	\$ 31,033
Net assets – beginning 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>
Net assets – end of year	<u>\$ 127,045</u>	<u>\$ 118,791</u>	<u>\$282,039</u>	<u>\$253,152</u>	<u>\$409,084</u>	<u>\$ 371,943</u>

Governmental Activities

For FY08, revenues for governmental activities were \$1,390,648 which is \$67,654 more than FY07 amounts, and expenses were \$1,382,394 which is \$50,938 more than FY07 amounts. The Regional Office of Education #53 determined the increase in revenue resulted from increased grant money and increased on-behalf payments. The increase in expenses was due to increased employee salaries.

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 Agency's Governmental Funds reported combined fund balances of \$88,753, \$2,811 less than FY07.

Governmental Fund Highlights

- County support increased for the Regional Office of Education #53 in FY08 by \$4,961. This increase was the result of losing a full-time employee, replacing them with a part-time employee, and receiving a budget increase in line items in the county budget.
- There was an increase in the state aid foundation level to \$5,734 per student from \$5,334.
- There was a decrease in Institute Fund of \$2,811 resulting from fewer teachers with the need for renewal of their certificates this past year.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008

Proprietary Fund Highlights

- The Fingerprinting Fund continues to increase due to the number of non-educational personnel that come to the office for printing. Net assets increased by \$4,176.
- Local Fund assets increased by \$24,711, mainly a result of unrestricted investments increasing.

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 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 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 been accumulated over time. The additions to capital assets of \$13,988 in FY08 came as a result of purchasing computers and projectors. In addition, the Regional Office of Education #53 has adopted a depreciation schedule, which reflects the level of Net Governmental Activities Capital Assets.

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 to \$5,959 during the 2008-2009 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.
- Grants should remain at or near previous levels.
- The county board support will increase by 2% for FY09.
- The Regional Office of Education is not receiving FY09 state grant money in a timely manner.

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, 2008

<u>ASSETS</u>	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash	\$ 296,577	\$ 15,823	\$ 312,400
Investments	38,155	266,907	305,062
Due from other funds	-	15	15
Due from other governmental units:			
State	15,385	-	15,385
Total current assets	\$ 350,117	\$ 282,745	\$ 632,862
Noncurrent assets:			
Capital assets, net of depreciation	\$ 38,679	\$ 133	\$ 38,812
Total noncurrent assets	\$ 38,679	\$ 133	\$ 38,812
Total Assets	\$ 388,796	\$ 282,878	\$ 671,674
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 16,801	\$ 839	\$ 17,640
Due to other funds	15	-	15
Due to other governmental units:			
State	40,483	-	40,483
Deferred revenue	204,065	-	204,065
Total current liabilities	\$ 261,364	\$ 839	\$ 262,203
Noncurrent liabilities:			
Capital lease payable	\$ 387	\$ -	\$ 387
Total noncurrent liabilities	\$ 387	\$ -	\$ 387
Total Liabilities	\$ 261,751	\$ 839	\$ 262,590
<u>NET ASSETS</u>			
Investment in capital assets, net of related debt	\$ 38,292	\$ 133	\$ 38,425
Unrestricted	40,192	281,906	322,098
Restricted for teacher professional development	48,561	-	48,561
Total Net Assets	\$ 127,045	\$ 282,039	\$ 409,084

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, 2008

FUNCTIONS/PROGRAMS	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
Instructional activities:						
Salaries	\$ 195,311	\$ -	\$ 195,311	\$ -	\$ -	\$ -
Benefits	30,550	-	30,550	-	-	-
Purchased services	118,413	-	92,719	(25,694)	-	(25,694)
Supplies and materials	24,311	-	19,246	(5,065)	-	(5,065)
Depreciation	15,309	-	-	(15,309)	-	(15,309)
Capital outlay	-	-	13,988	13,988	-	13,988
Other objects	13,145	-	6,831	(6,314)	-	(6,314)
Transfers- payments to other governmental units	627,066	-	627,066	-	-	-
Administrative:						
On-behalf payments	358,289	-	-	(358,289)	-	(358,289)
Total governmental activities	\$ 1,382,394	\$ -	\$ 985,711	\$ (396,683)	\$ -	\$ (396,683)
Business-type activities:						
Other	\$ 20,496	\$ 40,210	\$ -	\$ -	\$ 19,714	\$ 19,714
Total business-type activities	\$ 20,496	\$ 40,210	\$ -	\$ -	\$ 19,714	\$ 19,714
Total primary government	\$ 1,402,890	\$ 40,210	\$ 985,711	\$ (396,683)	\$ 19,714	\$ (376,969)
General Revenues:						
Local sources				\$ 40,040	\$ -	\$ 40,040
State sources				1,600	-	1,600
On-behalf payments				358,289	-	358,289
Investment income				5,008	9,173	14,181
Total general revenues				\$ 404,937	\$ 9,173	\$ 414,110
Changes in net assets				\$ 8,254	\$ 28,887	\$ 37,141
Net assets, beginning				118,791	253,152	371,943
Net assets, ending				\$ 127,045	\$ 282,039	\$ 409,084

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, 2008

<u>ASSETS</u>	General Fund	Education Fund	Institute Fund	Media Cooperative Fund	Teacher Leadership Academy	Nonmajor Funds	Total Governmental Funds
Cash	\$ (6,095)	\$ 158,812	\$ 103,336	\$ 28,586	\$ 396	\$ 11,542	\$ 296,577
Investments	-	-	-	-	38,155	-	38,155
Due from other funds	-	-	-	-	-	-	-
Due from other governmental units:							
State	8,180	7,205	-	-	-	-	15,385
Other receivables	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
Total Assets	\$ 2,085	\$ 166,017	\$ 103,336	\$ 28,586	\$ 38,551	\$ 11,542	\$ 350,117
<u>LIABILITIES</u>							
Accounts payable	\$ 2,085	\$ 11,975	\$ 2,150	\$ -	\$ -	\$ 591	\$ 16,801
Due to other funds	-	15	-	-	-	-	15
Due to other governmental units:							
State	-	40,483	-	-	-	-	40,483
Deferred revenue	-	113,544	52,625	-	37,896	-	204,065
Total Liabilities	\$ 2,085	\$ 166,017	\$ 54,775	\$ -	\$ 37,896	\$ 591	\$ 261,364
<u>FUND BALANCES</u>							
Unreserved, reported in:							
General fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special revenue funds	-	-	48,561	28,586	655	10,951	88,753
Total Fund Balances	\$ -	\$ -	\$ 48,561	\$ 28,586	\$ 655	\$ 10,951	\$ 88,753
Total Liabilities and Fund Balances	\$ 2,085	\$ 166,017	\$ 103,336	\$ 28,586	\$ 38,551	\$ 11,542	\$ 350,117

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, 2008

Total Fund Balances - Governmental Funds	\$ 88,753
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.	38,679
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>(387)</u>
Net assets of governmental activities	<u>\$ 127,045</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, 2008

	General Fund	Education Fund	Institute Fund	Media Cooperative Fund	Teacher Leadership Academy	Nonmajor Funds	Total Governmental Funds
REVENUES:							
Local sources	\$ -	\$ -	\$ 29,690	\$ 1,181	\$ 655	\$ 13,522	\$ 45,048
State sources	229,949	693,804	-	-	-	1,600	925,353
Federal sources	-	68,722	-	-	-	-	68,722
On-behalf payments	349,209	9,080	-	-	-	-	358,289
Total Revenues	<u>\$ 579,158</u>	<u>\$ 771,606</u>	<u>\$ 29,690</u>	<u>\$ 1,181</u>	<u>\$ 655</u>	<u>\$ 15,122</u>	<u>\$ 1,397,412</u>
EXPENDITURES:							
Education:							
Salaries	\$ 120,812	\$ 74,499	\$ -	\$ -	\$ -	\$ -	\$ 195,311
Benefits	30,550	-	-	-	-	-	30,550
Purchased services	37,021	55,698	17,290	4,839	-	10,329	125,177
Supplies and materials	13,983	5,263	524	-	-	4,541	24,311
Other objects	6,831	-	5,947	-	-	367	13,145
Transfers-payments to other governmental units	-	627,066	-	-	-	-	627,066
On-behalf payments	349,209	9,080	-	-	-	-	358,289
Capital outlay	13,988	-	-	-	-	-	13,988
Total Expenditures	<u>\$ 572,394</u>	<u>\$ 771,606</u>	<u>\$ 23,761</u>	<u>\$ 4,839</u>	<u>\$ -</u>	<u>\$ 15,237</u>	<u>\$ 1,387,837</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 6,764</u>	<u>\$ -</u>	<u>\$ 5,929</u>	<u>\$ (3,658)</u>	<u>\$ 655</u>	<u>\$ (115)</u>	<u>\$ 9,575</u>
OTHER FINANCING SOURCES (USES):							
Other financing sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other financing uses	(6,764)	-	-	-	-	-	(6,764)
Net other sources (uses) of financial resources	<u>\$ (6,764)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,764)</u>
Net change in fund balances	\$ -	\$ -	\$ 5,929	\$ (3,658)	\$ 655	\$ (115)	\$ 2,811
Fund balances - Beginning	-	-	42,632	32,244	-	11,066	85,942
Fund balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,561</u>	<u>\$ 28,586</u>	<u>\$ 655</u>	<u>\$ 10,951</u>	<u>\$ 88,753</u>

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, 2008

Net change in fund balances	\$	2,811
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	\$	13,988
Depreciation expense		<u>(15,309)</u> (1,321)
The Statement of Activities report the cost of acquiring a capital asset using a capital lease when the lease begins and depreciate the asset over its useful life whereas Governmental funds report the payments on a capital lease as expenditures over the lease term.		
Principal payments on capital leases		<u>6,764</u>
Change in net assets of governmental activities	\$	<u><u>8,254</u></u>

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, 2008

	Business-Type Activities		
	<u>Enterprise Funds</u>		
	Fingerprinting		Total
Local Fund	Fund	Total	
ASSETS			
Current assets:			
Cash	\$ 6,600	\$ 9,223	\$ 15,823
Investments	266,907	-	266,907
Due from other funds	15	-	15
Total current assets	\$ 273,522	\$ 9,223	\$ 282,745
Noncurrent assets:			
Capital assets, net of accumulated depreciation:			
Equipment, Net	\$ 133	\$ -	\$ 133
Total Assets	\$ 273,655	\$ 9,223	\$ 282,878
LIABILITIES			
Current liabilities:			
Accounts payable	\$ -	\$ 839	\$ 839
Total Liabilities	\$ -	\$ 839	\$ 839
NET ASSETS			
Investment in capital assets	\$ 133	\$ -	\$ 133
Unrestricted	273,522	8,384	281,906
Total Net Assets	\$ 273,655	\$ 8,384	\$ 282,039

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, 2008

	Business-Type Activities		
	<u>Enterprise Funds</u>		
	Local Fund	Fingerprinting Fund	Total
OPERATING REVENUES:			
Charges for services	\$ 28,116	\$ 12,094	\$ 40,210
OPERATING EXPENSES:			
Salaries	\$ 1,429	\$ -	\$ 1,429
Benefits	-	-	-
Purchased services	10,905	7,837	18,742
Supplies and materials	129	81	210
Depreciation	115	-	115
Total Expenses	\$ 12,578	\$ 7,918	\$ 20,496
NET OPERATING INCOME	\$ 15,538	\$ 4,176	\$ 19,714
NONOPERATING REVENUE:			
Interest income	9,173	-	9,173
CHANGES IN NET ASSETS	\$ 24,711	\$ 4,176	\$ 28,887
TOTAL NET ASSETS - BEGINNING	248,944	4,208	253,152
TOTAL NET ASSETS - ENDING	\$ 273,655	\$ 8,384	\$ 282,039

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, 2008

	Business-Type Activities		
	<u>Enterprise Funds</u>		
	Local Fund	Fingerprinting Fund	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 28,116	\$ 14,874	\$ 42,990
Payments to suppliers and providers of goods and services	(11,049)	(8,241)	(19,290)
Payments to employees	(1,429)	-	(1,429)
Net cash provided by operating activities	<u>\$ 15,638</u>	<u>\$ 6,633</u>	<u>\$ 22,271</u>
Cash flows from noncapital financing activities:			
Repayment of Institute Fund loan	\$ -	\$ (10,000)	\$ (10,000)
Cash flows from investing activities:			
Interest income	\$ 9,173	\$ -	\$ 9,173
Purchase of investment	(266,907)	-	(266,907)
Net cash used by investing activities	<u>\$ (257,734)</u>	<u>\$ -</u>	<u>\$ (257,734)</u>
Net decrease in cash	\$ (242,096)	\$ (3,367)	\$ (245,463)
Cash - beginning	<u>248,696</u>	<u>12,590</u>	<u>261,286</u>
Cash - ending	<u><u>\$ 6,600</u></u>	<u><u>\$ 9,223</u></u>	<u><u>\$ 15,823</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 15,538	\$ 4,176	\$ 19,714
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	115	-	115
Changes in assets and liabilities:			
Accounts receivable	-	2,780	2,780
Due from other funds	(15)	-	(15)
Accounts payable	-	(323)	(323)
Net cash provided by operating activities	<u><u>\$ 15,638</u></u>	<u><u>\$ 6,633</u></u>	<u><u>\$ 22,271</u></u>

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, 2008

	Private-Purpose <u>Trust</u>	Agency <u>Funds</u>
ASSETS:		
Cash and cash equivalents	\$ 32,663	\$ 47,575
Total Assets	\$ 32,663	\$ 47,575
LIABILITIES:		
Due to other governmental units	\$ -	\$ 46,575
Due to others	-	1,000
Total Liabilities	\$ -	\$ 47,575
NET ASSETS:		
Held in trust for other purposes	\$ 32,663	

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, 2008

	Private-Purpose <u>Trust</u>
ADDITIONS	
Investment earnings:	
Interest	\$ 1,186
	<u>1,186</u>
Total additions	<u>\$ 1,186</u>
DEDUCTIONS	
Benefits	\$ -
	<u>-</u>
Total deductions	<u>\$ -</u>
Change in net assets	\$ 1,186
Net assets - beginning	<u>31,477</u>
Net assets - ending	<u>\$ 32,663</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.

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, 2008, 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 Education fund follows:

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 Fund Types – Fiduciary Fund Types include a Private Purpose Trust Fund and three Agency 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 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. Deposits that have a maturity in excess of three months are considered to be 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 Pronouncements

Effective June 30, 2008, the ROE adopted Governmental Accounting Standards Board Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. There was no impact on the ROE's financial statements as a result of adopting this statement.

Effective June 30, 2008, the ROE adopted Governmental Accounting Standards Board Statement No. 50, *Pension Disclosures-an amendment of GASB Statements No. 25 and No. 27*.

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, 2008 the carrying amount of the ROE's deposits were \$80,238 for fiduciary funds, \$282,730 for proprietary funds and \$334,732 for governmental funds totaling \$697,700. The bank balances were \$80,238 for fiduciary funds, \$283,086 for proprietary funds, and \$365,065 for governmental funds totaling \$728,389. Of these balances, \$412,055 was covered by federal depository insurance and \$316,334 was collateralized with securities held in trust in the ROE's name.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: DUE FROM/TO OTHER FUNDS

As of June 30, 2008, the interfund account balances were as follows:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
McKinney Education for Homeless Children	Local Fund	\$ 15

NOTE 4: DUE FROM/TO OTHER GOVERNMENTAL UNITS

Due to other governmental units consists of the following at June 30, 2008:

<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
Iroquois-Kankakee ROE	National Board of Professional Teaching Standards	6,265
Two Rivers Professional Develop. Center	Regional System Provider/Federal System of Support	15,165
Illinois Central College	Distributive Fund	43,636
Various Local Educational Agencies	Distributive Fund	<u>2,939</u>
Total		<u>\$87,058</u>

Due from other governmental units consists of \$7,205 due from Two Rivers Professional Development Center to Regional System Provider/Federal System of Support for reimbursable expenditures and \$8,180 due from Illinois State Board of Education for the general operations fund grant.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: CAPITAL ASSETS

Capital asset activity during the 2008 fiscal year was as follows:

Governmental Activities:

	Balance <u>7-01-07</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6-30-08</u>
Equipment	\$361,730	\$13,988	\$ -	\$375,718
Less accumulated depreciation	<u>321,730</u>	<u>15,309</u>	<u>-</u>	<u>337,039</u>
Total Governmental	<u>\$ 40,000</u>	<u>\$ (1,321)</u>	<u>\$ -</u>	<u>\$ 38,679</u>

Business-Type activities:

	Balance <u>7-01-07</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6-30-08</u>
Equipment	\$ 574	\$ -	\$ -	\$ 574
Less accumulated depreciation	<u>326</u>	<u>115</u>	<u>-</u>	<u>441</u>
Total Business-Type	<u>\$ 248</u>	<u>\$ (115)</u>	<u>\$ -</u>	<u>\$ 133</u>
Total Capital Assets	<u>\$ 40,248</u>	<u>\$ (1,436)</u>	<u>\$ -</u>	<u>\$ 38,812</u>

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, 2008 was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2007 and 2006.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: RETIREMENT FUND COMMITMENTS – continued

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

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 0.63 percent during the year ended June 30, 2008 and 0.60 percent during the years ended June 30, 2007 and 2006. The member THIS Fund health insurance contribution was 0.84 percent during the year ended June 30, 2008 and 0.80 percent during the years ended June 30, 2007 and 2006.

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

- **On-behalf contributions to TRS**

The State of Illinois makes employer pension contributions on behalf of the ROE. For the year ended June 30, 2008, State of Illinois contributions were based on 13.11 percent of creditable earnings not paid from federal funds, and the ROE recognized revenue and expenditures of \$14,256 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2007 and June 30, 2006, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 9.78 percent (\$5,341) and 7.06 percent (\$7,643), respectively.

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

- **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, 2008 were \$631. Contributions for the years ended June 30, 2007 and June 30, 2006, were \$317 and \$628, 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 ROE 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: RETIREMENT FUND COMMITMENTS – continued

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

For the year ended June 30, 2008, the employer pension contribution was 13.11 percent of salaries paid from federal and trust funds. For the year ended June 30, 2007 and 2006, the employer contribution was 9.78 and 7.06 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2008, salaries totaling \$-0- were paid from federal and trust funds that required employer contributions of \$-0-. For the years ended June 30, 2007 and June 30, 2006, 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).

Under the Pipeline ERO, the maximum employer contribution was 100 percent of the member's highest salary used in the final average salary calculation.

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

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

For the year ended June 30, 2008, the ROE made no employer contributions to TRS for employer contributions under the ERO program. For the years ended June 30, 2007 and June 30, 2006, the ROE made no employer ERO contributions.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: RETIREMENT FUND COMMITMENTS – continued

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

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

Public Act 94-0004 added two additional 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, 2008, 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 as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.62 percent of salary during the year ended June 30, 2008). For the years ended June 30, 2008, 2007 and 2006, 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, 2007. The report for the year ended June 30, 2008 is expected to be available in late 2008.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Website at trs.illinois.gov.

B. Pension Plan

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: RETIREMENT FUND COMMITMENTS – continued

B. Pension Plan - continued

Funding Policy. As set by statute, ROE regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2007 was 2.77 percent of annual covered payroll. The ROE also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2007, the ROE’s annual pension cost of \$7,230 for the Regular plan was equal to the ROE’s required and actual contributions.

Three-Year Trend Information for the Regular Plan

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/07	\$ 7,230	100%	\$ -
12/31/06	8,242	100%	-
12/31/05	7,042	100%	-

The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2005 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of regular plan 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 between the actuarial and market value of assets. The regular plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007 was 5 years.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: RETIREMENT FUND COMMITMENTS – continued

B. Pension Plan - continued

Funded Status and Funding Progress. As of December 31, 2007, the most recent actuarial valuation date, the regular plan was 98.90 percent funded. The actuarial accrued liability for benefits was \$222,708 and the actuarial value of assets was \$220,255, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,453. The covered payroll (annual payroll of active employees covered by the plan) was \$49,383 and the ratio of the UAAL to the covered payroll was 5 percent.

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

NOTE 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	\$ 105,761
Assistant Regional Superintendent salary	95,185
Regional Superintendent benefits (Includes State paid insurance)	20,747
Assistant Regional Superintendent benefits (Includes State paid insurance)	13,633
TRS contributions	<u>14,256</u>
Total	<u>\$249,582</u>

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

Salaries	\$ 79,331
Benefits	<u>29,376</u>
Total	<u>\$108,707</u>

The total of on-behalf payments shown above of \$358,289 is reported as revenues and expenditures.

NOTES TO THE FINANCIAL STATEMENTS

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 May of 2008 to the extent that the next and final payment is due in December of 2009. There were principal payments made on the lease of \$6,764 for the year ended June 30, 2008. The principal balance on the lease at June 30, 2008 was \$387. The capital lease principal payment due is \$387 for fiscal year 2009.

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, 2008 and the two previous fiscal years, no settlement exceeded insurance coverage.

NOTE 11: USE OF FUNDING RESOURCES

Under the terms of grant agreements, the ROE funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is the policy of the ROE to first apply cost-reimbursement grant resources to such programs and then general revenues.

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, 2008
(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)
12/31/07	\$ 220,255	\$ 222,708	\$ 2,453	98.90%	\$ 49,383	4.97%
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%

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$235,452. On a market basis, the funded ratio would be 105.72%.

*Digest of Changes

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

The principal changes were:

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

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND - ROE OPERATIONS
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Positive</u> <u>(Negative)</u>
REVENUES:				
State sources	\$ 217,655	\$ 225,835	\$ 229,949	\$ 4,114
On-behalf payments	-	-	349,209	349,209
Total Revenues	\$ 217,655	\$ 225,835	\$ 579,158	\$ 353,323
EXPENDITURES:				
Salaries	\$ 140,734	\$ 125,811	\$ 120,812	\$ 4,999
Benefits	33,481	30,554	30,550	4
Purchased services	40,440	39,057	37,021	2,036
Supplies and materials	2,000	10,543	13,983	(3,440)
Capital outlay	-	13,970	13,988	(18)
Other objects	1,000	5,900	6,831	(931)
On-behalf payments	-	-	349,209	(349,209)
Total Expenditures	\$ 217,655	\$ 225,835	\$ 572,394	\$ (346,559)
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ 6,764	\$ 6,764
OTHER FINANCING SOURCES (USES):				
Other Financing Sources	\$ -	\$ -	\$ -	\$ -
Other Financing Uses	-	-	(6,764)	(6,764)
Net other sources and uses	\$ -	\$ -	\$ (6,764)	\$ (6,764)
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 30,2008

	McKinney Education for Homeless <u>Children</u>	School & Community Assistance <u>Team</u>	ROE/ISC <u>Technology</u>	Scientific Literacy <u>(T.I.P.)</u>	Scientific Literacy <u>(C.L.I.C.K.)</u>	Title I Reading First <u>Grant FY06</u>	Standard Aligned Classroom <u>Grant</u>	National Board of Professional Teaching <u>Standards</u>	Title II <u>Leadership</u>
<u>ASSETS</u>									
Cash	\$ 10,842	\$ 685	\$ 34	\$ 3,627	\$ 1,645	\$ 1,171	\$ 27,591	\$ 6,265	\$ 46
Due from other governmental units:									
State	-	-	-	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-	-	-	-
Total Assets	\$ 10,842	\$ 685	\$ 34	\$ 3,627	\$ 1,645	\$ 1,171	\$ 27,591	\$ 6,265	\$ 46
<u>LIABILITIES</u>									
Accounts payable	\$ 10,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	15	-	-	-	-	-	-	-	-
Due to other governmental units:									
State	-	-	34	3,627	1,645	1,171	-	6,265	46
Deferred revenue	-	685	-	-	-	-	27,591	-	-
Total Liabilities	\$ 10,842	\$ 685	\$ 34	\$ 3,627	\$ 1,645	\$ 1,171	\$ 27,591	\$ 6,265	\$ 46
<u>FUND BALANCES</u>									
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities and Fund Balances	\$ 10,842	\$ 685	\$ 34	\$ 3,627	\$ 1,645	\$ 1,171	\$ 27,591	\$ 6,265	\$ 46

See accompanying Independent Auditors' Report.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
JUNE 30,2008

	<u>Title I</u> School <u>Improvement</u>	<u>Scientific</u> Literacy <u>Bonus</u>	<u>Regional</u> Safe <u>Schools</u>	<u>Alternative</u> School <u>Program</u>	<u>Regional System</u> Provider/ Federal System <u>of Support</u>	<u>Total</u>
<u>ASSETS</u>						
Cash	\$ 10,370	\$ 2,160	\$ -	\$ -	\$ 94,376	\$ 158,812
Due from other governmental units:						
State	-	-	-	-	7,205	7,205
Other receivable	-	-	-	-	-	-
	<hr/>					
Total Assets	\$ 10,370	\$ 2,160	\$ -	\$ -	\$ 101,581	\$ 166,017
<hr/>						
<u>LIABILITIES</u>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,148	\$ 11,975
Due to other funds	-	-	-	-	-	15
Due to other governmental units:						
State	10,370	2,160	-	-	15,165	40,483
Deferred revenue	-	-	-	-	85,268	113,544
	<hr/>					
Total Liabilities	\$ 10,370	\$ 2,160	\$ -	\$ -	\$ 101,581	\$ 166,017
<hr/>						
<u>FUND BALANCES</u>						
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<hr/>					
Total Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<hr/>					
Total Liabilities and Fund Balances	\$ 10,370	\$ 2,160	\$ -	\$ -	\$ 101,581	\$ 166,017
	<hr/>					

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, 2008

	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	-	44,811	21,927	353,938	273,128	-	693,804
Federal sources	16,070	-	-	-	-	52,652	68,722
On-behalf payments	-	4,308	-	-	-	4,772	9,080
Total Revenues	\$ 16,070	\$ 49,119	\$ 21,927	\$ 353,938	\$ 273,128	\$ 57,424	\$ 771,606
EXPENDITURES:							
Salaries	\$ -	\$ 32,860	\$ 4,139	\$ -	\$ -	\$ 37,500	\$ 74,499
Benefits	-	-	-	-	-	-	-
Purchased services	13,397	11,951	15,198	-	-	15,152	55,698
Supplies and materials	2,673	-	2,590	-	-	-	5,263
Capital outlay	-	-	-	-	-	-	-
Transfers-payments to other gov't units	-	-	-	353,938	273,128	-	627,066
On-behalf payments	-	4,308	-	-	-	4,772	9,080
Total Expenditures	\$ 16,070	\$ 49,119	\$ 21,927	\$ 353,938	\$ 273,128	\$ 57,424	\$ 771,606
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, 2008

	<u>McKinney Education for Homeless Children</u>				<u>Regional System Provider/Federal System of Support</u>			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>		
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-
Federal sources	16,070	16,070	16,070	-	65,205	65,205	52,652	(12,553)
On-behalf payments	-	-	-	-	-	-	4,772	4,772
Total Revenues	\$ 16,070	\$16,070	\$ 16,070	\$ -	\$ 65,205	\$ 65,205	\$ 57,424	\$ (7,781)
EXPENDITURES:								
Salaries	\$ 12,525	\$12,525	\$ -	\$ 12,525	\$ 37,500	\$ 37,500	\$ 37,500	\$ -
Benefits	-	-	-	-	-	-	-	-
Purchased services	2,145	1,100	13,397	(12,297)	27,705	27,705	15,152	12,553
Supplies and materials	1,400	2,445	2,673	(228)	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	-	-
On-behalf payments	-	-	-	-	-	-	4,772	(4,772)
Total Expenditures	\$ 16,070	\$16,070	\$ 16,070	\$ -	\$ 65,205	\$ 65,205	\$ 57,424	\$ 7,781
NET CHANGE IN FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances - Beginning	-	-	-	-	-	-	-	-
Fund balances - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

<u>ASSETS</u>	<u>G.E.D. Fund</u>	<u>Bus Driver Fund</u>	<u>Supervisory Fund</u>	<u>Total</u>
Cash	\$ 9,482	\$ 1,044	\$ 1,016	\$ 11,542
Total Assets	\$ 9,482	\$ 1,044	\$ 1,016	\$ 11,542
<u>LIABILITIES</u>				
Accounts payable	\$ 591	\$ -	\$ -	\$ 591
Total Liabilities	\$ 591	\$ -	\$ -	\$ 591
<u>FUND BALANCES</u>				
Unreserved	\$ 8,891	\$ 1,044	\$ 1,016	\$ 10,951
Total Fund Balances	\$ 8,891	\$ 1,044	\$ 1,016	\$ 10,951
Total Liabilities and Fund Balances	\$ 9,482	\$ 1,044	\$ 1,016	\$ 11,542

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, 2008

	<u>G.E.D. Fund</u>	<u>Bus Driver Fund</u>	<u>Supervisory Fund</u>	<u>Total</u>
REVENUES:				
Local sources	\$ 11,525	\$ 1,832	\$ 165	\$ 13,522
State sources	-	600	1,000	1,600
Total Revenues	<u>\$ 11,525</u>	<u>\$ 2,432</u>	<u>\$ 1,165</u>	<u>\$ 15,122</u>
EXPENDITURES:				
Purchased services	\$ 6,428	\$ 3,108	\$ 793	\$ 10,329
Supplies and materials	4,317	-	224	4,541
Other objects	53	54	260	367
Total Expenditures	<u>\$ 10,798</u>	<u>\$ 3,162</u>	<u>\$ 1,277</u>	<u>\$ 15,237</u>
NET CHANGE IN FUND BALANCES	\$ 727	\$ (730)	\$ (112)	\$ (115)
Fund balances - Beginning	<u>8,164</u>	<u>1,774</u>	<u>1,128</u>	<u>11,066</u>
Fund balances - Ending	<u>\$ 8,891</u>	<u>\$ 1,044</u>	<u>\$ 1,016</u>	<u>\$ 10,951</u>

See accompanying Independent Auditors' Report.

TAZEWELL COUNTY REGIONAL OFFICE OF EDUCATION #53
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
JUNE 30, 2008

<u>ASSETS</u>	Distributive <u>Fund</u>	Interest on Distributions to Other <u>Governmental Units</u>	Detachment <u>Fund</u>	<u>Total</u>
Cash	\$ 43,636	\$ 2,939	\$ 1,000	\$ 47,575
Total Assets	<u>\$ 43,636</u>	<u>\$ 2,939</u>	<u>\$ 1,000</u>	<u>\$ 47,575</u>
<u>LIABILITIES</u>				
Due to other governmental units	\$ 43,636	\$ 2,939	\$ -	\$ 46,575
Due to others	-	-	1,000	1,000
Total Liabilities	<u>\$ 43,636</u>	<u>\$ 2,939</u>	<u>\$ 1,000</u>	<u>\$ 47,575</u>

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, 2008

	Balance July 1, <u>2007</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2008</u>
<u>Distributive Fund</u>				
Assets:				
Cash	\$ 9,797	\$ 1,628,700	\$ 1,594,861	\$ 43,636
Total Assets	<u>\$ 9,797</u>	<u>\$ 1,628,700</u>	<u>\$ 1,594,861</u>	<u>\$ 43,636</u>
Liabilities:				
Due to other governmental units	\$ 9,797	\$ 1,628,700	\$ 1,594,861	\$ 43,636
Total Liabilities	<u>\$ 9,797</u>	<u>\$ 1,628,700</u>	<u>\$ 1,594,861</u>	<u>\$ 43,636</u>
 <u>Interest on Distributions to Other Governmental Units</u>				
Assets:				
Cash	\$ 2,721	\$ 218	\$ -	\$ 2,939
Total Assets	<u>\$ 2,721</u>	<u>\$ 218</u>	<u>\$ -</u>	<u>\$ 2,939</u>
Liabilities:				
Due to other governmental units	\$ 2,721	\$ 218	\$ -	\$ 2,939
Total Liabilities	<u>\$ 2,721</u>	<u>\$ 218</u>	<u>\$ -</u>	<u>\$ 2,939</u>
 <u>Detachment Fund</u>				
Assets:				
Cash	\$ -	\$ 1,000	\$ -	\$ 1,000
Total Assets	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>
Liabilities:				
Due to others	\$ -	\$ 1,000	\$ -	\$ 1,000
Total Liabilities	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>
 <u>Total</u>				
Assets:				
Cash	\$ 12,518	\$ 1,629,918	\$ 1,594,861	\$ 47,575
Total Assets	<u>\$ 12,518</u>	<u>\$ 1,629,918</u>	<u>\$ 1,594,861</u>	<u>\$ 47,575</u>
Liabilities:				
Due to other governmental units	\$ 12,518	\$ 1,628,918	\$ 1,594,861	\$ 46,575
Due to others	-	1,000	-	1,000
Total Liabilities	<u>\$ 12,518</u>	<u>\$ 1,629,918</u>	<u>\$ 1,594,861</u>	<u>\$ 47,575</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, 2008

	Education for Employment	Mid-Illini Educational Cooperative	Regional Office of Education #53	Total
General State Aid	\$ -	\$ -	\$ 435,382	\$ 435,382
Vocational Education Second Program Imp.	519,545	-	-	519,545
Agriculture Education	10,441	-	-	10,441
School Bus Driver Training	-	-	600	600
Regional Safe School Program	-	-	191,684	191,684
Service Center Operations	-	222,655	-	222,655
Supervisory	-	-	1,000	1,000
Voc. Ed. Perkins Title IIC Secondary	213,554	-	-	213,554
	<u>\$ 743,540</u>	<u>\$ 222,655</u>	<u>\$ 628,666</u>	<u>\$ 1,594,861</u>

See accompanying Independent Auditors' Report.