

State of Illinois
WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
FINANCIAL AUDIT
(In Accordance with the Single Audit
Act and OMB Circular A-133)
For the Year Ended June 30, 2009

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55

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WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55

OFFICIALS

Regional Superintendent
(Current and during the Audit Period)

Mr. Gary J. Steinert

Assistant Regional Superintendent
(Current and during the Audit Period)

Mr. Robert Sondgeroth

Office is located at:

1001 West 23rd Street
Sterling, Illinois 61081

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55

COMPLIANCE REPORT SUMMARY

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

AUDITOR'S REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

Details of audit findings are included in a separate report section.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
09-1	11	Controls Over Financial Statement Preparation	Significant Deficiency

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

None

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

None

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

None

EXIT CONFERENCE

The results of audit procedures performed were discussed with Agency personnel at an exit conference on June 15, 2010. Attending were Mr. Gary J. Steinert, Regional Superintendent, and Kristyl McDaniel, Auditor from Winkel, Parker & Foster, CPA PC.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Whiteside County Regional Office of Education No. 55 was performed by Winkel, Parker & Foster, CPA PC.

Based on their audit, the auditors expressed an unqualified opinion on the Whiteside County Regional Office of Education No. 55's basic financial statements.



**Winkel, Parker
& Foster, CPA PC**

Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Whiteside County Regional Office of Education No. 55, as of and for the year ended June 30, 2009, which collectively comprise the Whiteside County Regional Office of Education No. 55's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Whiteside County Regional Office of Education No. 55'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 Whiteside County Regional Office of Education No. 55, as of June 30, 2009, 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 our report dated June 22, 2010 on our consideration of Whiteside County Regional Office of Education No. 55'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 16 through 30 and 64 are not a required part of the basic financial statements but are supplemental 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 supplemental 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 Whiteside County Regional Office of Education No. 55's basic financial statements. The accompanying supplemental information, such as the combining and individual nonmajor fund financial statements, budgetary comparison schedules and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Guidelines to Auditing and Reporting for a Regional Office of Education, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Walt, Park & Foster, CPA PC

Clinton, Iowa
June 22, 2010

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 Whiteside County Regional Office of Education No. 55, as of and for the year ended June 30, 2009, which collectively comprise the Whiteside County Regional Office of Education No. 55's basic financial statements and have issued our report thereon dated June 22, 2010. 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 Whiteside County Regional Office of Education No. 55'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 Whiteside County Regional Office of Education No. 55's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Whiteside County Regional Office of Education No. 55's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in finding 09-1 in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency in internal control over financial reporting. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Whiteside County Regional Office of Education No. 55'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*.

Regional Office of Education No. 55's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Regional Office of Education No. 55'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.

Walt, Park & Foster, CPA PC

Clinton, Iowa
June 22, 2010



**Winkel, Parker
& Foster, CPA PC**

Certified Public Accountants & Consultants

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the compliance of the Whiteside County Regional Office of Education No. 55 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Whiteside County Regional Office of Education No. 55's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Whiteside County Regional Office of Education No. 55's management. Our responsibility is to express an opinion on the Whiteside County Regional Office of Education No. 55's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133 criteria as required by the *Guidelines to Auditing and Reporting for a Regional Office of Education*. Those standards and criteria require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Whiteside County Regional Office of Education No. 55's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Whiteside County Regional Office of Education No. 55's compliance with those requirements.

In our opinion, the Whiteside County Regional Office of Education No. 55 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Whiteside County Regional Office of Education No. 55 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Whiteside County Regional Office of Education No. 55's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Whiteside County Regional Office of Education No. 55's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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

Will Park & Foster, CPA PC

Clinton, Iowa
June 22, 2010

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

Section I: Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: _____ Unqualified _____

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not
 considered to be material weakness(es)? yes none reported

Type of auditor's report issued on compliance for major programs:
 _____ Unqualified _____

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
<u>17.259</u>	<u>Education Outreach Program</u>
_____	_____
_____	_____
_____	_____

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

Auditee qualified as low-risk auditee? yes no

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

Section II: Financial Statement Findings:

FINDING NO. 09-1 - Controls Over Financial Statement Preparation

Criteria/Specific Requirement:

The Regional Office of Education No. 55 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 Regional Office of Education No. 55 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. Auditors, in their review of the Regional Office's accounting records, noted an adjustment that was 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:

Management's review process did not effectively detect all of the adjustments needed to present the financial statements in accordance with generally accepted accounting principles.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

Section II: Financial Statement Findings:

FINDING NO. 09-1 - Controls Over Financial Statement Preparation (Continued)

Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education No. 55 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 will continue to maintain its accounting records on the cash basis of accounting. At the present time, the additional cost to the Regional Office of hiring or contracting the services outweighs the benefits. If additional financial resources are made available through the State of Illinois, the Regional Office will consider seeking the services of an accountant to review the financial statements and related disclosures for completeness and accuracy.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

Section III: Federal Award Findings:

INSTANCES OF NONCOMPLIANCE:

None

SIGNIFICANT DEFICIENCIES:

None

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ended June 30, 2009**

FINDING NO. 09-1 - Controls Over Financial Statement Preparation

Condition:

The Regional Office of Education No. 55 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. Auditors, in their review of the Regional Office's accounting records, noted an adjustment that was required to present financial statements in accordance with generally accepted accounting principles.

Plan:

The Regional Office of Education will continue to maintain its accounting records on the cash basis of accounting. A closer review of the financial statements will be completed to prevent another occurrence of this finding. At the present time, the additional cost to the Regional Office of hiring or contracting the services outweighs the benefits. If additional financial resources are made available through the State of Illinois, the Regional Office will consider seeking the services of an accountant to review the financial statements and related disclosures for completeness and accuracy.

Anticipated Completion Date:

Immediately

Contact Person Responsible for Corrective Action:

Honorable Gary Steinert, Regional Superintendent

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2009

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
None		

MANAGEMENT'S DISCUSSION AND ANALYSIS

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

The Whiteside County Regional Office of Education No. 55 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, 2009. We encourage readers to consider this information in conjunction with the Whiteside County Regional Office of Education No. 55's financial statements, which follow.

2009 FINANCIAL HIGHLIGHTS

- General Fund revenues decreased from \$344,531 in 2008 to \$335,457 in 2009 due to cuts by the State of Illinois in revenues to certain programs. The Whiteside County Regional Office of Education No. 55 showed an increase in General Fund balance from \$69,357 in fiscal year 2008 to \$76,732 in fiscal year 2009 due to an attempt to reverse the trend of expenditures above revenue to support various programs offered by the Regional Office.
- The Institute Fund's fund balance decreased from \$26,377 in 2008 to \$25,420 in 2009. The main reason for the decrease is due to using the funds to offset cuts in grant programs from the State and to provide service to school districts within the region.
- The Education Fund's fund balance increased from \$153,986 in 2008 to \$199,082 in 2009. The Education Fund is made up of grants that the Regional Office receives and these can vary greatly from year to year as some programs have decreased funding or are discontinued while others see a funding increase.

USING THIS ANNUAL REPORT

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of Whiteside County Regional Office of Education No. 55'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 Whiteside County Regional Office of Education No. 55 as a whole and present an overall view of Whiteside County Regional Office of Education No. 55's finances.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Whiteside County Regional Office of Education No. 55's operations in more detail than the government-wide statements by providing information about the most significant funds.

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

Required Supplemental Information further explains and supports the financial statements with information about the Illinois Municipal Retirement Fund Schedule of Funding Progress.

Other Supplemental Information provides detailed information about the major and nonmajor funds.

Figure A-1 summarizes the major features of Whiteside County Regional Office of Education No. 55's financial statements, including the portion of Whiteside County Regional Office of Education No. 55's activities they cover and the types of information they contain.

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Figure A-1

Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Regional Office of Education No. 55 (except fiduciary funds)	The activities of Regional Office of Education No. 55 that are not proprietary or fiduciary, such as grants and statutory funds	Activities Regional Office of Education No. 55 operates similar to private businesses: workshops	Instances in which Regional Office of Education No. 55 administers resources on behalf of someone else, such as the distributive fund, the payroll fund, and the public aid fund.
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Revenues, Expenses, and Changes in Fund Net Assets • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

**REPORTING WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55'S
FINANCIAL ACTIVITIES**

Government-wide Financial Statements

The government-wide financial statements report information about Whiteside County Regional Office of Education No. 55 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of Whiteside County Regional Office of Education No. 55's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report Whiteside County Regional Office of Education No. 55's net assets and how they have changed. Net assets - the difference between Whiteside County Regional Office of Education No. 55's assets and liabilities - are one way to measure Whiteside County Regional Office of Education No. 55's financial health or financial position. Over time, increases or decreases in Whiteside County Regional Office of Education No. 55's net assets are an indicator of whether financial position is improving or deteriorating. To assess Whiteside County Regional Office of Education No. 55's overall health, additional non-financial factors, such as changes in Whiteside County Regional Office of Education No. 55's grant funding and the condition of facilities need to be considered.

In the government-wide financial statements, Whiteside County Regional Office of Education No. 55's activities are divided into two categories:

- *Governmental activities:* Most of Whiteside County Regional Office of Education No. 55's basic services are included here, such as grants and statutory funds. Federal and state grant proceeds finance most of these activities.
- *Business-type activities:* Whiteside County Regional Office of Education No. 55 charges fees to help cover the costs of certain services it provides. Whiteside County Regional Office of Education No. 55's Meeting the Challenge Workshop Fund is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about Whiteside County Regional Office of Education No. 55's funds, focusing on its most significant or "major" funds - not Whiteside County Regional Office of Education No. 55 as a whole. Funds are accounting devices Whiteside County Regional Office of Education No. 55 uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law. Whiteside County Regional Office of Education No. 55 establishes other funds to control and manage money for particular purposes, such as accounting for special revenue funds, or to show that it is properly using certain revenues, such as federal grants.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

Whiteside County Regional Office of Education No. 55 has three kinds of funds:

1) *Governmental funds*: Most of Whiteside County Regional Office of Education No. 55's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance Whiteside County Regional Office of Education No. 55's programs.

Whiteside County Regional Office of Education No. 55's governmental funds include the General Fund and Special Revenue Funds.

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

2) *Proprietary funds*: Services for which Whiteside County Regional Office of Education No. 55 charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. Whiteside County Regional Office of Education No. 55's Enterprise Funds are the same as its business-type activities, but provide more detail and additional information, such as cash flows. Whiteside County Regional Office of Education No. 55 currently has one major Enterprise Fund, the Meeting the Challenge Workshops, along with other non-major funds.

The required financial statements for proprietary funds include a Statement of Net Assets; a Statement of Revenues, Expenses, and Changes in Fund Net Assets; and a Statement of Cash Flows.

3) *Fiduciary funds*: Whiteside County Regional Office of Education No. 55 is the trustee for assets that belong to others. These funds include the Agency Funds.

- Agency Funds - These are funds through which Whiteside County Regional Office of Education No. 55 administers and accounts for certain federal and/or state grants on behalf of others.

Whiteside County Regional Office of Education No. 55 is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. Whiteside County Regional Office of Education No. 55 excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statements for fiduciary funds include a Statement of Fiduciary Net Assets.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of Whiteside County Regional Office of Education No. 55, assets exceeded liabilities by \$384,448 as of June 30, 2009.

A portion of Whiteside County Regional Office of Education No. 55's net assets (13%) reflects its investment in capital assets (e.g., buildings, furniture, and equipment). Although Whiteside County Regional Office of Education No. 55's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Whiteside County Regional Office of Education No. 55's financial position is the product of several financial transactions including the net results of activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of Whiteside County Regional Office of Education No. 55's net assets for the fiscal years ended June 30, 2009 and 2008.

2009

	Governmental Activities	Business- Type Activities	Total
Current assets	\$ 435,205	\$ 13,175	\$ 448,380
Capital assets, net of accumulated depreciation	<u>51,350</u>	<u>-</u>	<u>51,350</u>
Total assets	<u>486,555</u>	<u>13,175</u>	<u>499,730</u>
Current liabilities	<u>114,868</u>	<u>414</u>	<u>115,282</u>
Net assets			
Invested in capital assets	51,350	-	51,350
Unrestricted	294,917	12,761	307,678
Restricted for teacher professional development	<u>25,420</u>	<u>-</u>	<u>25,420</u>
Total net assets	<u>\$ 371,687</u>	<u>\$ 12,761</u>	<u>\$ 384,448</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

<u>2008</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Current assets	\$ 317,233	\$ 9,889	\$ 327,122
Capital assets, net of accumulated depreciation	<u>57,020</u>	<u>-</u>	<u>57,020</u>
Total assets	<u>374,253</u>	<u>9,889</u>	<u>384,142</u>
 Current liabilities	 <u>51,210</u>	 <u>-</u>	 <u>51,210</u>
 Net assets			
Invested in capital assets	57,020	-	57,020
Unrestricted	239,646	9,889	249,535
Restricted for teacher professional development	<u>26,377</u>	<u>-</u>	<u>26,377</u>
 Total net assets	 <u>\$ 323,043</u>	 <u>\$ 9,889</u>	 <u>\$ 332,932</u>

The largest portion of Whiteside County Regional Office of Education No. 55's net assets is unrestricted. Unrestricted net assets are the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements. Unrestricted net assets were \$307,678 for the year ended June 30, 2009. In addition, net assets related to the Institute Fund are considered restricted for teacher professional development.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

Changes in net assets. Whiteside County Regional Office of Education No. 55's total revenue for the fiscal year ended June 30, 2009 was \$1,571,723. The total cost of all programs and services was \$1,520,207. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2009 and 2008.

<u>2009</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ -	\$ 41,193	\$ 41,193
Operating grants and contributions	1,146,027	-	1,146,027
General revenues			
Local sources	104,150	207	104,357
State sources	49,962	-	49,962
On-behalf payments	<u>230,184</u>	<u>-</u>	<u>230,184</u>
Total revenues	<u>1,530,323</u>	<u>41,400</u>	<u>1,571,723</u>
Expenses:			
Instructional services			
Salaries and benefits	903,073	20,067	923,140
Purchased services	234,176	15,696	249,872
Supplies and materials	97,412	2,765	100,177
Capital outlay	10,710	-	10,710
Payments to other governments	454	-	454
Depreciation and disposition losses	5,670	-	5,670
Administrative			
On-behalf payments	<u>230,184</u>	<u>-</u>	<u>230,184</u>
Total expenses	<u>1,481,679</u>	<u>38,528</u>	<u>1,520,207</u>
Change in net assets	48,644	2,872	51,516
Net assets, beginning of year	<u>323,043</u>	<u>9,889</u>	<u>332,932</u>
Net assets, end of year	<u>\$ 371,687</u>	<u>\$ 12,761</u>	<u>\$ 384,448</u>

Operating grants and contributions account for 73% of the total revenue. Whiteside County Regional Office of Education No. 55's expenses primarily relate to instructional services, which account for 85% of the total expenses.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

<u>2008</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ -	\$ 22,638	\$ 22,638
Operating grants and contributions	1,045,997	-	1,045,997
General revenues			
Local sources	84,091	760	84,851
State Sources	43,882	-	43,882
On-behalf payments	<u>233,188</u>	<u>-</u>	<u>233,188</u>
Total revenues	<u>1,407,158</u>	<u>23,398</u>	<u>1,430,556</u>
Expenses:			
Instructional services			
Salaries and benefits	787,742	12,360	800,102
Purchased services	212,487	12,013	224,500
Supplies and materials	115,819	3,004	118,823
Capital outlay	10,274	-	10,274
Other objects	380	-	380
Depreciation and disposition losses	6,585	-	6,585
Administrative			
On-behalf payments	<u>233,188</u>	<u>-</u>	<u>233,188</u>
Total expenses	<u>1,366,475</u>	<u>27,377</u>	<u>1,393,852</u>
Change in net assets	40,683	(3,979)	36,704
Net assets, beginning of year	<u>282,360</u>	<u>13,868</u>	<u>296,228</u>
Net assets, end of year	<u>\$ 323,043</u>	<u>\$ 9,889</u>	<u>\$ 332,932</u>

Operating grants and contributions account for 73% of the total revenue. Whiteside County Regional Office of Education No. 55's expenses primarily relate to instructional services, which account for 83% of the total expenses.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

Governmental Activities

Revenues for governmental activities were \$1,530,323 and \$1,407,158 and expenses were \$1,481,679 and \$1,366,475 for 2009 and 2008, respectively.

The following tables present the cost of Whiteside County Regional Office of Education No. 55's functional governmental activities. The tables also show each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and Whiteside County Regional Office of Education No. 55's residents by each of these functions.

<u>2009</u>	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instructional services		
Salaries and benefits	\$ 903,073	\$ (72,342)
Purchased services	234,176	(18,759)
Supplies and materials	97,412	(7,803)
Capital outlay	10,710	(858)
Payments to other governments	454	(36)
Depreciation and disposition losses	5,670	(5,670)
Administrative		
On-behalf payments	<u>230,184</u>	<u>(230,184)</u>
Total expenses	<u>\$ 1,481,679</u>	<u>\$ (335,652)</u>
<u>2008</u>	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instructional services		
Salaries and benefits	\$ 787,742	\$ (56,426)
Purchased services	212,487	(15,220)
Supplies and materials	115,819	(8,296)
Capital outlay	10,274	(736)
Other objects	380	(27)
Depreciation and disposition losses	6,585	(6,585)
Administrative		
On-behalf payments	<u>233,188</u>	<u>(233,188)</u>
Total expenses	<u>\$ 1,366,475</u>	<u>\$ (320,478)</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

- The cost of all governmental activities was \$1,481,679 and \$1,366,475 for 2009 and 2008, respectively.
- Federal and state governments subsidized certain governmental activities with grants and contributions of \$1,146,027 and \$1,045,997 for 2009 and 2008, respectively.

Net cost of governmental activities (\$335,652), was financed by general revenues, which are made up of primarily local sources (\$104,150), state sources (\$49,962), and on-behalf payments (\$230,184) for 2009.

Net cost of governmental activities (\$320,478), was financed by general revenues, which are made up of primarily local sources (\$84,091), state sources (\$43,882), and on-behalf payments (\$233,188) for 2008.

Business-Type Activities

Revenues for business-type activities were \$41,400 and \$23,398 and expenses were \$38,528 and \$27,377 for 2009 and 2008, respectively. Whiteside County Regional Office of Education No. 55's business-type activities include the Meeting the Challenge Workshops and other non-major funds. Revenues of these activities were comprised of charges for service.

INDIVIDUAL FUND ANALYSIS

As previously noted, Whiteside County Regional Office of Education No. 55 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of Whiteside County Regional Office of Education No. 55 as a whole is reflected in its governmental funds, as well. As Whiteside County Regional Office of Education No. 55 completed the year, its governmental funds reported a combined fund balance of \$320,337, above last year's ending fund balances of \$266,023.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

Governmental Fund Highlights

The General Fund's fund balance increased from \$69,357 in 2008 to \$76,732 in 2009. The main reason for the increase is an attempt to reverse the trend of expenditures above revenue to support various programs offered by the Regional Office.

The Institute Fund's fund balance decreased from \$26,377 in 2008 to \$25,420 in 2009. The main reason for the decrease is due to using the funds to offset cuts in grant programs from the State and to provide service to school districts within the region.

The Education Fund's fund balance increased from \$153,986 in 2008 to \$199,082 in 2009. The Education Fund is made up of grants that the Regional Office receives and these can vary greatly from year to year as some programs are discontinued while others see a funding increase. Over the various programs that make up the fund, total revenues exceeded expenditures by \$45,096 thus increasing the fiscal year 2008 fund balance from \$153,986 to \$199,082 in fiscal year 2009.

Proprietary Fund Highlights

Proprietary Fund net assets increased from \$9,889 at June 30, 2008 to \$12,761 at June 30, 2009, representing an increase of approximately 29%. The reason for the increase is due to an attempt to reverse the trend of expenditures above revenue to support various programs offered by the Regional Office.

BUDGETARY HIGHLIGHTS

Whiteside County Regional Office of Education No. 55 is not required to create a budget for overall operations. They are required to prepare budgets for most of the grants they receive. Over the course of the year, Whiteside County Regional Office of Education No. 55 amended several of the grant budgets within the Education Fund. Budgets for grant programs are adjusted because of an increase or decrease in funding due to changes at the state level or to better allocate funds received to meet the needs of the program.

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Capital Assets

As of June 30, 2009, Whiteside County Regional Office of Education No. 55 had invested \$51,350 in capital assets, including furniture and equipment. This amount was \$5,670 lower when compared to 2008. Total depreciation expense for the year was \$5,670.

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2009.

	Governmental Activities
Furniture and equipment	\$ 3,008
Building improvement	48,342
Total capital assets	\$ 51,350

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2008.

	Governmental Activities
Furniture and equipment	\$ 5,416
Building improvement	51,604
Total capital assets	\$ 57,020

Additional information on Whiteside County Regional Office of Education No. 55's capital assets can be found in Note 7 on page 59 of this report.

ECONOMIC FACTORS BEARING ON WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55'S FUTURE

At the time these financial statements were prepared and audited, Whiteside County Regional Office of Education No. 55 was aware of several existing circumstances that could significantly affect its financial health in the future:

Since the Regional Office depends on a majority of funding from the State of Illinois, significant delays in the receipt of that funding will have a definite bearing on the financial health of the office.

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

**CONTACTING WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55'S
FINANCIAL MANAGEMENT**

This financial report is designed to provide Whiteside County Regional Office of Education No. 55's citizens, taxpayers, and customers with a general overview of Whiteside County Regional Office of Education No. 55's finances and to demonstrate Whiteside County Regional Office of Education No. 55's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Whiteside County Regional Office of Education No. 55, 1001 West 23rd Street, Sterling, Illinois 61081.

BASIC FINANCIAL STATEMENTS

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
STATEMENT OF NET ASSETS
June 30, 2009

	Primary Government		<u>Total</u>
	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 178,172	\$ 19,112	\$ 197,284
Due from other governments	251,096	-	251,096
Due from other funds	5,937	(5,937)	-
Total current assets	435,205	13,175	448,380
Non-current assets:			
Capital assets, being depreciated, net	51,350	-	51,350
Total assets	486,555	13,175	499,730
LIABILITIES			
Current liabilities:			
Accounts payable	44,593	414	45,007
Due to other governments	1,781	-	1,781
Deferred revenue	68,494	-	68,494
Total current liabilities	114,868	414	115,282
NET ASSETS			
Investment in capital assets	51,350	-	51,350
Unrestricted	294,917	12,761	307,678
Restricted for teacher professional development	25,420	-	25,420
Total net assets	\$ 371,687	\$ 12,761	\$ 384,448

The accompanying notes are an integral part of the financial statements.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 STATEMENT OF ACTIVITIES
 Year Ended June 30, 2009

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	<u>Expenses</u>	Charges for <u>Services</u>	Operating Grants and <u>Contributions</u>	Primary Government		<u>Total</u>
				<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Primary government:						
Governmental activities:						
Education:						
Salaries and benefits	\$ 903,073	\$ -	\$ 830,731	\$ (72,342)	\$ -	\$ (72,342)
Purchased services	234,176	-	215,417	(18,759)	-	(18,759)
Supplies and materials	97,412	-	89,609	(7,803)	-	(7,803)
Capital outlay	10,710	-	9,852	(858)	-	(858)
Payments to other governments	454	-	418	(36)	-	(36)
Depreciation	5,670	-	-	(5,670)	-	(5,670)
Administrative:						
On-behalf payments	<u>230,184</u>	-	-	<u>(230,184)</u>	-	<u>(230,184)</u>
Total governmental activities	<u>1,481,679</u>	-	<u>1,146,027</u>	<u>(335,652)</u>	-	<u>(335,652)</u>
Business-type activities:						
Professional development	<u>38,528</u>	<u>41,193</u>	-	-	<u>2,665</u>	<u>2,665</u>
Total primary government	<u>\$ 1,520,207</u>	<u>\$ 41,193</u>	<u>\$ 1,146,027</u>	<u>(335,652)</u>	<u>2,665</u>	<u>(332,987)</u>
General revenues:						
Local sources				104,150	207	104,357
State sources				49,962	-	49,962
On-behalf payments				<u>230,184</u>	-	<u>230,184</u>
Total general revenue				<u>384,296</u>	<u>207</u>	<u>384,503</u>
CHANGES IN NET ASSETS				<u>48,644</u>	<u>2,872</u>	<u>51,516</u>
NET ASSETS, BEGINNING OF YEAR				<u>323,043</u>	<u>9,889</u>	<u>332,932</u>
NET ASSETS, END OF YEAR				<u>\$ 371,687</u>	<u>\$ 12,761</u>	<u>\$ 384,448</u>

The accompanying notes are an integral part of the financial statements.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
BALANCE SHEET
GOVERNMENTAL FUNDS
 June 30, 2009

	Special Revenue				
	General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash (overdrafts) and cash equivalents	\$ (98,971)	\$ 27,002	\$ 238,123	\$ 12,018	\$ 178,172
Due from other governments	19,107	-	224,404	7,585	251,096
Due from other funds	183,081	-	-	-	183,081
TOTAL ASSETS	\$ 103,217	\$ 27,002	\$ 462,527	\$ 19,603	\$ 612,349
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 2	\$ 1,480	\$ 42,611	\$ 500	\$ 44,593
Due to other governments	483	102	1,196	-	1,781
Due to other funds	26,000	-	151,144	-	177,144
Deferred revenue	-	-	68,494	-	68,494
Total liabilities	26,485	1,582	263,445	500	292,012
FUND BALANCES					
Unreserved, reported in:					
General fund	76,732	-	-	-	76,732
Special revenue funds	-	25,420	199,082	19,103	243,605
Total fund balances	76,732	25,420	199,082	19,103	320,337
TOTAL LIABILITIES AND FUND BALANCES	\$ 103,217	\$ 27,002	\$ 462,527	\$ 19,603	\$ 612,349

The accompanying notes are an integral part of the financial statements.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2009

Total fund balances of governmental funds (page 34)	\$ 320,337
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.	<u>51,350</u>
Net assets of governmental activities (page 32)	<u>\$ 371,687</u>

The accompanying notes are an integral part of the financial statements.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2009

	Special Revenue				Total Governmental Funds
	General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	
REVENUES:					
Local sources	\$ 33,650	\$ 7,714	\$ 38,532	\$ 24,254	\$ 104,150
State sources	71,623	-	812,051	1,652	885,326
Federal sources	-	-	310,663	-	310,663
On-behalf payments	230,184	-	-	-	230,184
Total revenues	<u>335,457</u>	<u>7,714</u>	<u>1,161,246</u>	<u>25,906</u>	<u>1,530,323</u>
EXPENDITURES:					
Education:					
Salaries and benefits	78,864	4,081	805,159	14,969	903,073
Purchased services	15,552	4,590	209,253	4,781	234,176
Supplies and materials	3,447	-	91,028	2,937	97,412
Payments to other governments	35	-	-	419	454
On-behalf payments	230,184	-	-	-	230,184
Capital outlay	-	-	10,710	-	10,710
Total expenditures	<u>328,082</u>	<u>8,671</u>	<u>1,116,150</u>	<u>23,106</u>	<u>1,476,009</u>
NET CHANGE IN FUND BALANCES	7,375	(957)	45,096	2,800	54,314
FUND BALANCE, BEGINNING OF YEAR	<u>69,357</u>	<u>26,377</u>	<u>153,986</u>	<u>16,303</u>	<u>266,023</u>
FUND BALANCE, END OF YEAR	<u>\$ 76,732</u>	<u>\$ 25,420</u>	<u>\$ 199,082</u>	<u>\$ 19,103</u>	<u>\$ 320,337</u>

The accompanying notes are an integral part of the financial statements.

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2009**

Net change in fund balances (page 36)	\$	54,314
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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.

Depreciation		(5,670)
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Change in net assets of governmental activities (page 33)	\$	48,644
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The accompanying notes are an integral part of the financial statements.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
 June 30, 2009

	Business-Type Activities Enterprise Funds <hr style="width: 100%;"/> Other Nonmajor Funds
ASSETS	
Current assets:	
Cash and cash equivalents	\$ <u>19,112</u>
LIABILITIES	
Current liabilities:	
Accounts payable	414
Due to other funds	<u>5,937</u>
Total liabilities	<u>6,351</u>
NET ASSETS	
Unrestricted	\$ <u><u>12,761</u></u>

The accompanying notes are an integral part of the financial statements.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2009

	Business-Type Activities Enterprise Funds <hr/> Other Nonmajor Funds
OPERATING REVENUES:	
Local sources	\$ <u>41,193</u>
OPERATING EXPENSES:	
Salaries and benefits	20,067
Purchased services	15,696
Supplies and materials	<u>2,765</u>
Total operating expenses	<u>38,528</u>
OPERATING INCOME	2,665
NONOPERATING REVENUES	
Interest revenue	<u>207</u>
INCREASE IN NET ASSETS	2,872
NET ASSETS, BEGINNING OF YEAR	<u>9,889</u>
NET ASSETS, END OF YEAR	\$ <u><u>12,761</u></u>

The accompanying notes are an integral part of the financial statements.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2009

	Business-Type Activities Enterprise Funds <u>Other Nonmajor Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts for workshops and services	\$ 41,193
Payments to suppliers and providers of goods and services	(18,047)
Payments to employees	<u>(20,067)</u>
Net cash provided by operating activities	3,079
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest	<u>207</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,286
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>15,826</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 19,112</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 2,665
Adjustments to reconcile operating income to net cash provided by operating activities:	
Effects of decrease in liabilities:	
Accounts payable	<u>414</u>
Net cash provided by operating activities	<u>\$ 3,079</u>

The accompanying notes are an integral part of the financial statements.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2009

	Agency Funds
ASSETS	
Cash (overdrafts) and cash equivalents	\$ <u>(10,832)</u>
LIABILITIES	
Due to other governments	\$ <u>(10,832)</u>

The accompanying notes are an integral part of the financial statements.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Whiteside County Regional Office of Education No. 55 operates under the School Code (105 ILCS 5/3 and 5/3A). A Regional Superintendent of Schools serves as chief administrative officer of the Regional Office of Education No. 55 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 Whiteside County Regional Office of Education No. 55's reporting entity includes all related organizations for which the Regional Office of Education No. 55 exercises oversight responsibility in accordance with Statement No. 14 of the Governmental Accounting Standards Board.

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

The Superintendent has developed criteria to determine whether outside agencies with activities which benefit the citizens served by the Regional Office of Education No. 55 should be included within its financial reporting entity. The criteria includes, but is not limited to whether the Superintendent (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (i.e., financial budget approval, management of assets, etc.). The Superintendent has determined that no outside agency meets the above criteria and, therefore, no agency has been included as a component unit in the financial statements. In addition, the Superintendent is not aware of any entity which would exercise such oversight which would result in the Regional Office of Education No. 55 being considered a component unit of the entity.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the activities of Whiteside County Regional Office of Education No. 55. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by intergovernmental and local revenues.

The Statement of Net Assets presents Whiteside County Regional Office of Education No. 55's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

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

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

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

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

Fund Financial Statements - Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column within the governmental funds in the financial section of the basic financial statements and are detailed in the supplemental information.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Whiteside County Regional Office of Education No. 55 reports the following major governmental funds:

The General Fund is the operating fund of the Whiteside County Regional Office of Education No. 55. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The following funds are the general funds of the Whiteside County Regional Office of Education No. 55.

ROE/ISC Operations Fund - this fund accounts for the state grant that provides the funding for the Regional Office of Education No. 55.

General Operations Fund - this fund accounts for the monies received and expenditures related to general administration of the Regional Office.

Major Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are legally restricted to expenditures for specified purposes. Major special revenue funds include the following:

Institute Fund - this fund accounts for teacher certificate registration, issuance, and evaluation fees for processing certificates, and expenses of meetings of a professional nature. All funds generated remain restricted until expended only on the aforementioned activities.

Education Fund - to account for state and federal grant monies received for, and payment of, administering numerous grant awards which include:

Administrator's Academy - this program is used for providing staff development training to administrators in school improvement.

Scientific Literacy - this program provides funding for school improvement plans in the areas of math and science and to coordinate teacher development in math and science.

Title I - School Improvement & Accountability - this program assists schools that qualify for school-wide planning through staff development training.

Title II - Eisenhower - Leadership Grants - this program provides leadership workshops.

Mathematics & Science Partnerships - this program supports the Illinois Math & Science Programs.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retired Professional Service Corps - this program places retired educators in schools to assist with special projects.

Adult Education and Family Literacy Grant - this program provides for education and literacy programs for adults.

Career Awareness and Development - this program provides students the opportunity to learn more about career options available to them.

Regional Safe Schools - these are alternative programs for disruptive youths in grades 6-12. Students eligible for this program must have been suspended or expelled by a local school district.

Truants Alternative/Optional Education - this program assists in prevention of truancy within the Alternative School.

School to Work (DOL) - this program supports the School to Work Program.

ROE/ISC Technology - this program is designed to support learning technology services to the local school districts.

Even Start - this program is for developing and operating programs to promote family literacy.

Early Childhood Parenting Program - this program supports the Early Childhood Block Program.

ROE/ISC School Improvement Grant - this program provides training and reading workshops for local teachers.

Learning Standards - this program is associated with providing services and funding activities as specified in the Illinois Learning Standards Implementation Plan.

Early Childhood - Block Grant (0-3) - this program supports the Early Childhood Block Program for ages 0-3.

Early Childhood - Block Grant (3-5) - this program supports the Early Childhood Block Program for ages 3-5.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Early Childhood - Block Grant (Prevention Initiative) - this program supports the Early Childhood Block Program for prevention.

Illinois Century Network - this program supports the Department of Central Management Services' Illinois Century Network program.

Tobacco Settlement Recovery Fund/Prevention - this program is used for tobacco prevention education.

Early Childhood - Block Grant (3705-50) - this program supports the Early Childhood Block Prekindergarten At-risk Program.

Reading Improvement Statewide/Professional Development - this program supports the Reading Improvement Program.

Title IV - Community Service - this program is used to support teachers in the use of service to the community as a teaching method.

Title I - Reading First Part B SEA Funds - this program assists K-2 teachers with professional development and the 5 essential components of early reading instruction.

Secretary of State Family Literacy Grant - this program supports literacy activities from the Secretary of State.

Education Outreach Program - this program is associated with workforce investment activities that are designed to increase educational and occupational skill attainment by participants.

State Free Lunch & Breakfast - this program supports the State Free Lunch and Breakfast programs.

National School Lunch Program - this program supports the National School Lunch program.

School Breakfast Program - this program supports the School Breakfast program.

Standards Aligned Classroom - this program provides standards aligned classroom initiatives, coaching, and support teams.

Education Technology Grant - this program assists school districts in planning for, implementing, assessing results and educating school staff in the use of technology and telecommunications in curricular, instructional and administrative functions.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Secretary of State RESPRO - this program provides support to schools and school districts which are on the academic watch list.

English Language Learners - this program provides education to people learning the English language.

Sterling Truants Alternative Program - this program assists in prevention of truancy within the Alternative School in the Sterling area.

Kindergarten Standards - this program is used to educate teachers in the areas they teach on a daily basis.

McKinney Homeless Grant - this program is used to ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children.

ARRA - these funds were used to maintain current levels of employment intact in the Regional Safe School Program, which provides alternative placement for middle and high school students that have been expelled or are under the threat of expulsion.

Dollar General - this program provides family literacy services to families who have young children, and in which the adults are learning the English language or working towards their GED.

Barbara Bush - this program provides family literacy services to families who have young children, and in which the adults are learning the English language or working towards their GED.

The Regional Office of Education No. 55 reports the following nonmajor governmental funds:

Nonmajor Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are legally restricted to expenditures for specified purposes. Nonmajor special revenue funds include the following:

General Educational Development - this fund accounts for the receipts and expenses pertaining to the GED/High School Equivalency program for high school dropouts.

Bus Driver Training - this fund accounts for state and local receipts and expenses as a result of training school district bus drivers.

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Technology Training - this fund accounts for receipts and expenses by the Regional Superintendent for technology training workshops.

Learning Technology Center - this fund accounts for receipts and expenses for establishing a statewide support system for information, professional development, technical assistance, network design, technology planning, leadership, and information exchange.

The Regional Office of Education No. 55 reports the following major proprietary fund:

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education No. 55 on a cost reimbursement basis are reported.

Other Nonmajor Funds - used to account for revenues and expenses related to the following funds:

Meeting the Challenge Workshops - used to account for the workshop fees and expenses of the Regional Office of Education No. 55.

Computer Workshops - this fund accounts for workshops conducted by the Regional Office of Education No. 55 related to information technology and computer literacy.

Courses Fund - this fund accounts for receipts from area teachers and payments made to Northern Illinois University for registration in courses offered locally by the University.

Non-Grant Workshops - this fund accounts for the conducting of series of non-grant workshops for various school districts.

IARSS Website Development - this fund accounts for local revenues and disbursements related to the Illinois Association of Regional Superintendent of School website development program.

Miscellaneous Local Fees - this fund accounts for various programs and services performed for local school districts. Local fees for spelling bees, laminate/books, computer repair, and ISS dinner.

Illinois Principal Mentoring - this fund accounts for the Illinois Principal Mentoring.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Regional Office of Education No. 55 also reports the following agency funds:

Agency Funds are used to account for assets held by the Regional Office of Education No. 55 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds include the following:

Distributive Fund - this fund distributes money received from the State out to the school districts and other entities.

Payroll Fund - this fund accounts for payroll costs.

Public Aid Fund - this fund is used to account for funds received from the State for public aid recipients whose children are truants. The money is given to these public aid recipients after meeting with the Regional Superintendent's staff.

The school district boards within the Regional Office of Education No. 55 have signed formal agreements that allow the Regional Office of Education No. 55 to retain any interest earned during the year.

Measurement Focus and Basis of Accounting

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

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

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Whiteside County Regional Office of Education No. 55.

Whiteside County Regional Office of Education No. 55 records on-behalf payments made by the State to the Teachers' Retirement System as revenue and expenditures.

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under the terms of grant agreements, Whiteside County Regional Office of Education No. 55 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 Whiteside County Regional Office of Education No. 55's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

The proprietary funds of Whiteside County Regional Office of Education No. 55 apply all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Whiteside County Regional Office of Education No. 55's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Whiteside County Regional Office of Education No. 55 maintains its financial records on the cash basis. The financial statements of Whiteside County Regional Office of Education No. 55 are prepared by making memorandum adjusting entries to the cash basis financial records.

Assets, Liabilities and Fund Equity

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

Cash and cash equivalents - The cash and cash equivalent balances of Whiteside County Regional Office of Education No. 55 are valued at cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Due from other governments - Due from other governments represents amounts due from the Illinois State Board of Education and other local governments.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital assets - Capital assets, which include property, furniture and equipment, are reported in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by Whiteside County Regional Office of Education No. 55 as assets with an initial, individual cost in excess of \$5,000 and estimated useful lives in excess of two years. Capital assets are depreciated using the sum-of-the-years method over 3-40 years.

Compensated absences - Non-exempt, full-time employees earn vacation time according to their length of service; 10 days per year for the first four years of service and 15 days per year starting with the fifth year of service. Vacation time is prorated for employees working between 16 and 35 hours per week. Temporary employees, non-exempt employees who work less than 16 hours per week and exempt employees do not earn vacation days. Vacation time must be used within the same project year in which it was earned and unused vacation time at the end of a project year is forfeited. All projects in which salary expense is incurred have a year-end consistent with the Whiteside County Regional Office of Education No. 55's year-end of June 30, and therefore, no liability is accrued.

Employees receive 10 sick days and 2 personal business days annually and the unused portion is accumulated and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay and therefore, no liability is accrued.

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

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

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

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Restricted Net Assets - represents net assets that are restricted due to constraints placed on the net asset use that are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Budgets and Budgetary Accounting

The Whiteside County Regional Office of Education No. 55 did not formally adopt a budget for the year ended June 30, 2009 and is not legally required to do so. The Illinois State Board of Education and other federal grantors require budgets for certain state and federal programs. Funds with budgets include the ROE/ISC Operations, Regional Safe Schools, Truants Alternative/Optional Education, Even Start, Early Childhood - Block Grant (0-3), Early Childhood - Block Grant (3-5), Secretary of State Family Literacy Grant, English Language Learners, and McKinney Homeless Grant.

Subsequent Events

Management has evaluated subsequent events through June 22, 2010, the date the financial statements were available to be issued.

NOTE 2 - INTERGOVERNMENTAL AGREEMENT

On August 17, 1998, Whiteside County Regional Office of Education No. 55 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 Intergovernmental Agreement is known as the Lee/Ogle/Whiteside Intergovernmental Agreement. Membership is made up of the following Regional Offices of Education: Whiteside County Regional Office of Education No. 55 and Lee/Ogle Counties Regional Office of Education No. 47. The Lee/Ogle Counties Regional Office of Education No. 47 was designated as Administrative Agent.

Whiteside County Regional Office of Education No. 55 flows their state and federal funds for regional services to Lee/Ogle Counties Regional Office of Education No. 47 for administration and performance of accounting procedures that conform to all applicable rules and regulations of the Illinois State Board of Education.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 2 - INTERGOVERNMENTAL AGREEMENT (CONTINUED)

The following programs were assigned to the Lee/Ogle/Whiteside Intergovernmental Agreement: Administrator's Academy, Scientific Literacy, Title I - School Improvement and Accountability, Title II - Eisenhower Leadership Grants, Career Awareness and Development, and Learning Standards.

NOTE 3 - CASH AND CASH EQUIVALENTS

The deposit of Whiteside County Regional Office of Education No. 55 monies is governed by the provisions of the Illinois Compiled Statutes.

Deposits

At June 30, 2009, the carrying amount of Whiteside County Regional Office of Education No. 55's deposits was \$186,452 and the bank balance was \$403,601.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, Whiteside County Regional Office of Education No. 55's deposits may not be returned. Whiteside County Regional Office of Education No. 55 does not have a deposit policy for custodial credit risk. As of June 30, 2009, all of Whiteside County Regional Office of Education No. 55 's deposits were either covered by FDIC insurance or covered by collateral held by the financial institution in Whiteside County Regional Office of Education No. 55's name.

A reconciliation of cash as shown on the Statement of Net Assets for the primary government is as follows:

	<u>Carrying Amount</u>
Cash - Governmental Funds	\$ 178,172
Cash - Enterprise Funds	19,112
Cash - Agency	<u>(10,832)</u>
Total	<u>\$ 186,452</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 4 - ON-BEHALF PAYMENTS

Salaries of the Regional Superintendent and his assistant are paid by the State of Illinois. All other salaries are paid by Whiteside County. Pension plan contributions associated with these salaries are also paid respectively, by the State of Illinois and Whiteside County.

A breakdown of the on-behalf payments are as follows:

Regional Superintendent - salary	\$ 96,435
Regional Superintendent - benefits (includes state paid insurance)	10,048
Assistant Regional Superintendent - salary	86,791
Assistant Regional Superintendent - benefits (includes state paid insurance)	17,734
TRS on-behalf payments	<u>19,176</u>
Total on-behalf payments	<u>\$ 230,184</u>

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

NOTE 5 - EMPLOYEE BENEFIT PLAN

Whiteside County Regional Office of Education No. 55's employees are covered under the Illinois Municipal Retirement Fund. Contributions to the Fund are made by Whiteside County and the Whiteside County Regional Office of Education No. 55 through grant monies on behalf of the Whiteside County Regional Office of Education No. 55 staff employees and grant coordinators.

Whiteside County is a participating member of the Illinois Municipal Retirement Fund whose coverage includes all Whiteside County Regional Office of Education No. 55 employees who:

- a. Occupy a job normally requiring 600 hours or more per year;
- b. Are paid on a regular payroll from Whiteside County or Whiteside County Regional Office of Education No. 55 funds;
- c. Were under age sixty when first entering employment; and
- d. Are not covered by another state created retirement system for the same service.

Employees not qualifying above are considered "nonparticipating employees" and are covered under Social Security.

The Regional Superintendent and Assistant Regional Superintendent of Whiteside County Regional Office of Education No. 55 are paid by the State of Illinois. Certain staff employees of Whiteside County Regional Office of Education No. 55's office are employed and paid by Whiteside County (other support staff and grant coordinators are paid by Whiteside County Regional Office of Education No. 55 through grant monies). Whiteside County Regional Office of Education No. 55 has no separate employee benefit plan.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 5 - EMPLOYEE BENEFIT PLAN (CONTINUED)

Illinois Municipal Retirement Fund

Plan Description. The Regional Office of Education No. 55's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. Your 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the Regional Office of Education No. 55's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require 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 2008 was 10.45 percent of annual covered payroll. The Regional Office of Education No. 55 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 2008, the Regional Office of Education No. 55's annual pension cost of \$58,161 for the Regular plan was equal to the Regional Office of Education No. 55's required and actual contributions.

TREND INFORMATION			
<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$ 58,161	100%	\$ -
12/31/07	48,699	100%	-
12/31/06	52,103	100%	-

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 5 - EMPLOYEE BENEFIT PLAN (CONTINUED)

The required contribution for 2008 was determined as part of the December 31, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Regional Office of Education No. 55's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education No. 55's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2006, valuation was 5 years.

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 86.19 percent funded. The actuarial accrued liability for benefits was \$852,746 and the actuarial value of assets was \$735,016, resulting in an underfunded actuarial accrued liability (UAAL) of \$117,730. The covered payroll (annual payroll of active employees covered by the plan) was \$556,562 and the ratio of the UAAL to the covered payroll was 21 percent.

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

NOTE 6 - RETIREMENT PLANS

Teachers' Retirement System of the State of Illinois

The Regional Office of Education participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The state of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 6 - RETIREMENT PLANS (CONTINUED)

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2009, 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, 2008 and 2007. In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The Regional Office of Education No. 55 THIS Fund contribution was 0.63 percent during the year ended June 30, 2009, and the member THIS Fund health insurance contribution was 0.84 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education No. 55's TRS-covered employees.

- **On-behalf Contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 55. For the year ended June 30, 2009, the State of Illinois contributions were based on 17.08 percent of creditable earnings not paid from federal funds, and the Regional Office of Education No. 55 recognized revenue and expenditures of \$19,176 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2008, and June 30, 2007, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 13.11 percent (\$13,160) and 9.78 percent (\$22,102), respectively.

The state contributions to TRS for the year ended June 30, 2009 and 2008 was based on an actuarial formula. The state contribution for the year ended June 30, 2007 was based on a dollar amount specified by the statute and was not actuarially determined.

Whiteside County Regional Office of Education No. 55 makes other types of employer contributions directly to TRS:

- **2.2 Formula Contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2009 were \$1,183. Contributions for the years ending June 30, 2008, and June 30, 2007, were \$812 and \$1,364, respectively.
- **Federal and Trust Fund Contributions.** When TRS members are paid from federal and trust funds administered by the Regional Office of Education No. 55, there is a statutory requirement for the Regional Office of Education No. 55 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 paid from federal and special trust funds will be the same as the state contribution rate for TRS.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 6 - RETIREMENT PLANS (CONTINUED)

For the year ended June 30, 2009, the employer pension contribution was 17.08 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2008 and 2007, the employer pension contribution was 13.11 and 9.78 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2009, salaries totaling \$35,177 were paid from federal and special trust funds that required employer contributions of \$6,008. For the years ended June 30, 2008, and June 30, 2007, required contributions were \$4,477 and \$4,255, respectively.

- **Early Retirement Option.** The Regional Office of Education No. 55 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 retired on or before July 1, 2007. If members did not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies in 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 years ended June 30, 2009, June 30, 2008 and June 30, 2007, the Regional Office Education No. 55 paid no ERO contributions.
- **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 of up to 6 percent. For the years ended June 30, 2009, June 30, 2008, and June 30, 2007, the Regional Office of Education No. 55 did not make any contributions to TRS for 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, 2009). For the years ended June 30, 2009, June 30, 2008, and June 30, 2007, the Regional Office of Education No. 55 did not make any contributions to TRS for sick leave days granted in excess of the normal annual allotment.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 6 - RETIREMENT PLANS (CONTINUED)

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, 2008. The report for the year ended June 30, 2009, is expected to be available in late 2009. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at www.trs.illinois.gov.

NOTE 7 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2009 is as follows:

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Governmental activities:				
Furniture and equipment	\$ 96,440	\$ -	\$ -	\$ 96,440
Building improvements	92,279	-	-	92,279
	188,719	-	-	188,719
Less accumulated depreciation	(131,699)	(5,670)	-	(137,369)
Total capital assets, net	<u>\$ 57,020</u>	<u>\$ (5,670)</u>	<u>\$ -</u>	<u>\$ 51,350</u>

Depreciation expense was charged as follows:

Governmental activities:

 Education:

 Depreciation and disposition losses \$ 5,670

NOTE 8 - DISPOSITION OF DISTRIBUTIVE FUND INTEREST

The school district boards within the Regional Office of Education No. 55 have signed formal agreements that allow the Regional Office of Education No. 55 to retain any interest earned during the year.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 9 - DEFICIT FUND BALANCES

At June 30, 2009, the following funds had deficit fund balances. They are expected to correct themselves in 2010, through payments from the State and transfers from local funds.

General Fund	
ROE/ISC Operations	\$ (72)
Education Fund	
Administrator's Academy	(155)
Scientific Literacy	(159)
Adult Education and Family Literacy Grant	(5,719)
Career Awareness and Development	(693)
ROE/ISC School Improvement Grant	(745)
Early Childhood Block Grant (3-5)	(582)
Title IV - Community Service	(65)
State Free Lunch & Breakfast	(141)
Kindergarten Standards	(8)
Nonmajor Special Revenue Funds	
Learning Technology Center	(1,316)
Nonmajor Proprietary Funds	
Non-Grant Workshops	(24,099)

NOTE 10 - DUE FROM/TO OTHER GOVERNMENTS

The Whiteside County Regional Office of Education No. 55's General, Special Revenue, and Agency Funds have funds due to and due from various other governmental units which consist of the following:

Due from other governments	
General fund	
Local governments	\$ 1,128
Illinois State Board of Education	17,979
Education fund	
Illinois State Board of Education	224,404
Other non-major funds	
Local governments	<u>7,585</u>
Total due from other governments	<u>\$ 251,096</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 10 - DUE FROM/TO OTHER GOVERNMENTS (CONTINUED)

Due to other governments		
General fund		
Local governments	\$	483
Institute fund		
Local School Districts		102
Education fund		
Local governments		1,196
Agency fund		
Local governments		<u>10,832</u>
Total due to other governments	\$	<u>12,613</u>

NOTE 11 - DUE FROM/TO OTHER FUNDS

Interfund receivables and payables at June 30, 2009 were:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General fund		
General operations	\$ -	\$ 183,081
ROE/ISC Operations	26,000	-
Education fund		
Adult Education and Family Literacy Grant	950	-
Career Awareness and Development	580	-
Regional Safe Schools	35,650	-
Truant Alternative/Optional Education	15,405	-
Even Start	11,181	-
Early Childhood Parenting Program	1,810	-
ROE/ISC School Improvement Grant	748	-
Early Childhood - Block Grant (0-3)	10,184	-
Early Childhood - Block Grant (3-5)	67,914	-
Secretary of State Family Literacy Grant	7	-
Education Outreach Program	5,600	-
English Language Learners	1	-
Sterling Truants Alternative Program	1,103	-
McKinney Homeless Grant	11	-
Proprietary fund		
Non-Grant Workshops	5,528	-
Miscellaneous local fees	<u>409</u>	<u>-</u>
Total	<u>\$ 183,081</u>	<u>\$ 183,081</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 12 - RISK MANAGEMENT

Whiteside County Regional Office of Education No. 55 is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. Whiteside County Regional Office of Education No. 55 assumes liability for any deductibles and claims in excess of coverage limitations. There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the year.

NOTE 13 - NEW PRONOUNCEMENT

In 2009, Whiteside County Regional Office of Education No. 55 adopted Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*; GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*; GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The Regional Office of Education No. 55 implemented these standards during the current year; however, there was no significant impact of the implementation of GASB No. 49, 52, 55, and 56 on the financial statements.

NOTE 14 - FUND BALANCE RECLASSIFICATIONS

The Regional Office of Education No. 55 has reclassified fund balances, which were previously reported under the Education Fund. The Dollar General program was previously included with the Adult Education and Family Literacy Grant. Management believes fund reclassification more appropriately reflects the purpose of those funds. The reclassification created no impact on the fund balance total of the Education Fund.

NOTE 15 - SUBSEQUENT EVENT

The Regional Office of Education No. 55 obtained a line of credit on May 25, 2010 with a credit limit of \$180,000. The line of credit has an interest rate of 5.25 percent. The balance is due in one payment on October 25, 2010. Monthly payments are required for accrued interest beginning on June 25, 2010.

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

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
SCHEDULE OF FUNDING PROGRESS -
ILLINOIS MUNICIPAL RETIREMENT FUND
(Unaudited)
June 30, 2009

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS

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)
12/31/08	\$ 735,016	\$ 852,746	\$ 117,730	86.19%	\$ 556,562	21.15%
12/31/07	744,317	768,570	24,253	96.84%	472,807	5.13%
12/31/06	712,955	764,833	51,878	93.22%	461,497	11.24%

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$566,005.
On a market basis, the funded ratio would be 66.37%.

***Digest of Changes**

The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2005-2007 Experience Study.

SUPPLEMENTAL INFORMATION

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND ACCOUNTS
June 30, 2009

	<u>ROE/ISC</u> <u>Operations</u>	<u>General</u> <u>Operations</u>	<u>Total</u>
ASSETS			
Cash (overdrafts) and cash equivalents	\$ 7,949	\$ (106,920)	\$ (98,971)
Due from other governments	17,979	1,128	19,107
Due from other funds	<u>-</u>	<u>183,081</u>	<u>183,081</u>
TOTAL ASSETS	<u>\$ 25,928</u>	<u>\$ 77,289</u>	<u>\$ 103,217</u>
LIABILITIES AND FUND BALANCES (DEFICIT)			
LIABILITIES			
Accounts payable	\$ -	\$ 2	\$ 2
Due to other governments	-	483	483
Due to other funds	<u>26,000</u>	<u>-</u>	<u>26,000</u>
Total liabilities	26,000	485	26,485
FUND BALANCES (DEFICIT), UNRESERVED	<u>(72)</u>	<u>76,804</u>	<u>76,732</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT), UNRESERVED	<u>\$ 25,928</u>	<u>\$ 77,289</u>	<u>\$ 103,217</u>

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 Year Ended June 30, 2009**

	<u>ROE/ISC Operations</u>	<u>General Operations</u>	<u>Totals</u>
REVENUES:			
Local sources	\$ 1	\$ 33,649	\$ 33,650
State sources	71,623	-	71,623
On-behalf payments	230,184	-	230,184
Total revenues	301,808	33,649	335,457
EXPENDITURES:			
Education:			
Salaries	61,091	7,448	68,539
Benefits	9,805	520	10,325
Purchased services	727	14,825	15,552
Supplies and materials	-	3,447	3,447
Payments to other governments	-	35	35
On-behalf payments	230,184	-	230,184
Total expenditures	301,807	26,275	328,082
NET CHANGE IN FUND BALANCES (DEFICIT)	1	7,374	7,375
FUND BALANCES (DEFICIT), UNRESERVED, BEGINNING OF YEAR	(73)	69,430	69,357
FUND BALANCES (DEFICIT), UNRESERVED, END OF YEAR	\$ (72)	\$ 76,804	\$ 76,732

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 3

	ROE/ISC Operations Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Local sources	\$ -	\$ -	\$ 1	\$ 1
State sources	71,623	71,623	71,623	-
Total revenues	71,623	71,623	71,624	1
EXPENDITURES:				
Education:				
Salaries	60,632	60,632	61,091	(459)
Benefits	9,942	9,942	9,805	137
Purchased services	1,049	1,049	727	322
Total expenditures	71,623	71,623	71,623	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	1	\$ 1
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR			(73)	
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR			\$ (72)	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2009

	<u>Administrator's Academy</u>	<u>Scientific Literacy</u>	<u>Title I - School Improvement & Accountability</u>	<u>Title II - Eisenhower - Leadership Grants</u>	<u>Mathematics & Science Partnerships</u>
ASSETS					
Cash (overdrafts) and cash equivalents	\$ (155)	\$ (159)	\$ 231	\$ 273	\$ 3,072
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ (155)</u>	<u>\$ (159)</u>	<u>\$ 231</u>	<u>\$ 273</u>	<u>\$ 3,072</u>
LIABILITIES AND FUND BALANCES (DEFICIT)					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	230	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	-	-	230	-	-
FUND BALANCES (DEFICIT)					
Unreserved	<u>(155)</u>	<u>(159)</u>	<u>1</u>	<u>273</u>	<u>3,072</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ (155)</u>	<u>\$ (159)</u>	<u>\$ 231</u>	<u>\$ 273</u>	<u>\$ 3,072</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2009

SCHEDULE 4
 (CONTINUED)

	<u>Retired Professional Service Corps</u>	<u>Adult Education and Family Literacy Grant</u>	<u>Career Awareness and Development</u>	<u>Regional Safe Schools</u>	<u>Truants Alternative/ Optional Education</u>	<u>School to Work (DOL)</u>
ASSETS						
Cash (overdrafts) and cash equivalents	\$ 28	\$ 1,222	\$ (113)	\$ 174,410	\$ (3,377)	\$ 900
Due from other governments	-	-	-	36,752	27,882	-
TOTAL ASSETS	<u>\$ 28</u>	<u>\$ 1,222</u>	<u>\$ (113)</u>	<u>\$ 211,162</u>	<u>\$ 24,505</u>	<u>\$ 900</u>
LIABILITIES AND FUND BALANCES (DEFICIT)						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 7,586	\$ -
Due to other governments	-	-	-	-	-	894
Due to other funds	-	950	580	35,650	15,405	-
Deferred revenue	-	5,991	-	-	-	-
Total liabilities	-	6,941	580	35,650	22,991	894
FUND BALANCES (DEFICIT)						
Unreserved	28	(5,719)	(693)	175,512	1,514	6
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 28</u>	<u>\$ 1,222</u>	<u>\$ (113)</u>	<u>\$ 211,162</u>	<u>\$ 24,505</u>	<u>\$ 900</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2009

SCHEDULE 4
 (CONTINUED)

	<u>ROE/ISC Technology</u>	<u>Even Start</u>	<u>Early Childhood Parenting Program</u>	<u>ROE/ISC School Improvement Grant</u>	<u>Learning Standards</u>	<u>Early Childhood - Block Grant (0-3)</u>
ASSETS						
Cash (overdrafts) and cash equivalents	\$ 6	\$ 20,358	\$ (237)	\$ 3	\$ 67	\$ (4,850)
Due from other governments	-	-	5,975	-	-	24,832
TOTAL ASSETS	<u>\$ 6</u>	<u>\$ 20,358</u>	<u>\$ 5,738</u>	<u>\$ 3</u>	<u>\$ 67</u>	<u>\$ 19,982</u>
LIABILITIES AND FUND BALANCES (DEFICIT)						
LIABILITIES						
Accounts payable	\$ -	\$ 7,091	\$ 257	\$ -	\$ -	\$ 8,053
Due to other governments	-	-	-	-	-	-
Due to other funds	-	11,181	1,810	748	-	10,184
Deferred revenue	-	-	-	-	-	-
Total liabilities	-	18,272	2,067	748	-	18,237
FUND BALANCES (DEFICIT)						
Unreserved	6	2,086	3,671	(745)	67	1,745
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 6</u>	<u>\$ 20,358</u>	<u>\$ 5,738</u>	<u>\$ 3</u>	<u>\$ 67</u>	<u>\$ 19,982</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2009

	Early Childhood - Block Grant (3-5)	Early Childhood - Block Grant (Prevention Initiative)	Illinois Century Network	Tobacco Settlement Recovery Fund/ Prevention	Early Childhood - Block Grant (3705-50)	Reading Improvement Statewide/ Professional Development
ASSETS						
Cash (overdrafts) and cash equivalents	\$ (27,663)	\$ 73	\$ 1,599	\$ 14	\$ 230	\$ 8
Due from other governments	112,497	-	-	-	-	-
TOTAL ASSETS	\$ 84,834	\$ 73	\$ 1,599	\$ 14	\$ 230	\$ 8
LIABILITIES AND FUND BALANCES (DEFICIT)						
LIABILITIES						
Accounts payable	\$ 17,502	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	72	-	-	-	-
Due to other funds	67,914	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	85,416	72	-	-	-	-
FUND BALANCES (DEFICIT)						
Unreserved	(582)	1	1,599	14	230	8
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 84,834	\$ 73	\$ 1,599	\$ 14	\$ 230	\$ 8

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2009

SCHEDULE 4
 (CONTINUED)

	<u>Title IV - Community Service</u>	<u>Title I - Reading First Part B SEA Funds</u>	<u>Secretary of State Family Literacy Grant</u>	<u>Education Outreach Program</u>	<u>State Free Lunch & Breakfast</u>	<u>National School Lunch Program</u>
ASSETS						
Cash (overdrafts) and cash equivalents	\$ (213)	\$ 4,134	\$ 1,098	\$ (6,004)	\$ (198)	\$ 1,735
Due from other governments	148	-	-	15,566	57	459
TOTAL ASSETS	<u>\$ (65)</u>	<u>\$ 4,134</u>	<u>\$ 1,098</u>	<u>\$ 9,562</u>	<u>\$ (141)</u>	<u>\$ 2,194</u>
LIABILITIES AND FUND BALANCES (DEFICIT)						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 637	\$ 1,485	\$ -	\$ -
Due to other governments	-	-	-	-	-	-
Due to other funds	-	-	7	5,600	-	-
Deferred revenue	-	4,092	-	-	-	-
Total liabilities	-	4,092	644	7,085	-	-
FUND BALANCES (DEFICIT)						
Unreserved	(65)	42	454	2,477	(141)	2,194
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ (65)</u>	<u>\$ 4,134</u>	<u>\$ 1,098</u>	<u>\$ 9,562</u>	<u>\$ (141)</u>	<u>\$ 2,194</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2009

SCHEDULE 4
 (CONTINUED)

		<u>School Breakfast Program</u>	<u>Standards Aligned Classroom</u>	<u>Education Technology Grant</u>	<u>Secretary of State RESPRO</u>	<u>English Language Learners</u>	<u>Sterling Truants Alternative Program</u>
ASSETS							
Cash (overdrafts) and cash equivalents	\$	927	\$ 629	\$ 20	\$ 9,201	\$ 293	\$ 2,128
Due from other governments		<u>236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>\$ 1,163</u>	<u>\$ 629</u>	<u>\$ 20</u>	<u>\$ 9,201</u>	<u>\$ 293</u>	<u>\$ 2,128</u>
LIABILITIES AND FUND BALANCES (DEFICIT)							
LIABILITIES							
Accounts payable	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments		-	-	-	-	-	-
Due to other funds		-	-	-	-	1	1,103
Deferred revenue		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities		-	-	-	-	1	1,103
FUND BALANCES (DEFICIT)							
Unreserved		<u>1,163</u>	<u>629</u>	<u>20</u>	<u>9,201</u>	<u>292</u>	<u>1,025</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)		<u>\$ 1,163</u>	<u>\$ 629</u>	<u>\$ 20</u>	<u>\$ 9,201</u>	<u>\$ 293</u>	<u>\$ 2,128</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
 June 30, 2009

SCHEDULE 4
(CONTINUED)

	<u>Kindergarten</u>	<u>McKinney</u>		<u>Dollar</u>	<u>Barbara</u>	<u>Totals</u>
	<u>Standards</u>	<u>Homeless</u>	<u>ARRA</u>	<u>General</u>	<u>Bush</u>	
ASSETS						
Cash (overdrafts) and cash equivalents	\$ (8)	\$ 4,428	\$ -	\$ 15,012	\$ 39,001	\$ 238,123
Due from other governments	-	-	-	-	-	224,404
TOTAL ASSETS	<u>\$ (8)</u>	<u>\$ 4,428</u>	<u>\$ -</u>	<u>\$ 15,012</u>	<u>\$ 39,001</u>	<u>\$ 462,527</u>
LIABILITIES AND FUND BALANCES (DEFICIT)						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,611
Due to other governments	-	-	-	-	-	1,196
Due to other funds	-	11	-	-	-	151,144
Deferred revenue	-	4,411	-	15,000	39,000	68,494
Total liabilities	-	4,422	-	15,000	39,000	263,445
FUND BALANCES (DEFICIT)						
Unreserved	(8)	6	-	12	1	199,082
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ (8)</u>	<u>\$ 4,428</u>	<u>\$ -</u>	<u>\$ 15,012</u>	<u>\$ 39,001</u>	<u>\$ 462,527</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2009

SCHEDULE 5

	<u>Administrator's Academy</u>	<u>Scientific Literacy</u>	<u>Title I - School Improvement & Accountability</u>	<u>Title II - Eisenhower - Leadership Grants</u>	<u>Mathematics & Science Partnerships</u>
REVENUES:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 1,001
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Total revenues	-	-	-	-	1,001
EXPENDITURES:					
Education:					
Salaries	-	-	-	-	2,206
Benefits	-	-	-	-	207
Purchased services	-	-	-	-	309
Supplies and materials	77	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	77	-	-	-	2,722
NET CHANGE IN FUND BALANCES (DEFICIT)	(77)	-	-	-	(1,721)
FUND BALANCES (DEFICIT), UNRESERVED, BEGINNING OF YEAR	(78)	(159)	1	273	4,793
FUND BALANCES (DEFICIT), UNRESERVED, END OF YEAR	\$ (155)	\$ (159)	\$ 1	\$ 273	\$ 3,072

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 5
(CONTINUED)

	Retired Professional Service Corps	Adult Education and Family Literacy Grant	Career Awareness and Development	Regional Safe Schools	Truants Alternative/ Optional Education	School to Work (DOL)
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ 16,017	\$ 5	\$ 1
State sources	-	14,625	-	161,867	83,626	-
Federal sources	-	-	-	-	-	-
Total revenues	-	14,625	-	177,884	83,631	1
EXPENDITURES:						
Education:						
Salaries	-	12,020	-	101,237	56,334	-
Benefits	-	2,147	-	14,833	9,702	-
Purchased services	-	132	-	20,872	16,577	-
Supplies and materials	-	-	-	7,713	1,018	-
Capital outlay	-	-	-	908	-	-
Total expenditures	-	14,299	-	145,563	83,631	-
NET CHANGE IN FUND BALANCES (DEFICIT)	-	326	-	32,321	-	1
FUND BALANCES (DEFICIT), UNRESERVED, BEGINNING OF YEAR	28	(6,045)	(693)	143,191	1,514	5
FUND BALANCES (DEFICIT), UNRESERVED, END OF YEAR	\$ 28	\$ (5,719)	\$ (693)	\$ 175,512	\$ 1,514	\$ 6

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 5
 (CONTINUED)

	<u>ROE/ISC Technology</u>	<u>Even Start</u>	<u>Early Childhood Parenting Program</u>	<u>ROE/ISC School Improvement Grant</u>	<u>Learning Standards</u>	<u>Early Childhood - Block Grant (0-3)</u>
REVENUES:						
Local sources	\$ -	\$ 10	\$ 2	\$ -	\$ -	\$ 3
State sources	-	-	42,437	-	-	101,009
Federal sources	-	102,091	-	-	-	-
Total revenues	-	102,101	42,439	-	-	101,012
EXPENDITURES:						
Education:						
Salaries	-	45,212	33,895	-	-	60,384
Benefits	-	7,636	5,865	-	-	10,323
Purchased services	-	37,103	2,456	-	-	11,103
Supplies and materials	-	10,059	322	-	-	17,344
Capital outlay	-	-	-	-	-	1,858
Total expenditures	-	100,010	42,538	-	-	101,012
NET CHANGE IN FUND BALANCES (DEFICIT)	-	2,091	(99)	-	-	-
FUND BALANCES (DEFICIT), UNRESERVED, BEGINNING OF YEAR	6	(5)	3,770	(745)	67	1,745
FUND BALANCES (DEFICIT), UNRESERVED, END OF YEAR	\$ 6	\$ 2,086	\$ 3,671	\$ (745)	\$ 67	\$ 1,745

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 5
 (CONTINUED)

	Early Childhood - Block Grant (3-5)	Early Childhood - Block Grant (Prevention Initiative)	Illinois Century Network	Tobacco Settlement Recovery Fund/ Prevention	Early Childhood - Block Grant (3705-50)	Reading Improvement Statewide/ Professional Development
REVENUES:						
Local sources	\$ 2	\$ -	\$ 1	\$ -	\$ -	\$ -
State sources	330,529	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Total revenues	<u>330,531</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:						
Education:						
Salaries	207,466	-	-	-	-	-
Benefits	32,384	-	-	-	-	-
Purchased services	48,006	-	-	-	-	-
Supplies and materials	36,585	-	-	-	-	-
Capital outlay	7,944	-	-	-	-	-
Total expenditures	<u>332,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICIT)	(1,854)	-	1	-	-	-
FUND BALANCES (DEFICIT), UNRESERVED, BEGINNING OF YEAR	<u>1,272</u>	<u>1</u>	<u>1,598</u>	<u>14</u>	<u>230</u>	<u>8</u>
FUND BALANCES (DEFICIT), UNRESERVED, END OF YEAR	<u>\$ (582)</u>	<u>\$ 1</u>	<u>\$ 1,599</u>	<u>\$ 14</u>	<u>\$ 230</u>	<u>\$ 8</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 5
 (CONTINUED)

	<u>Title IV - Community Service</u>	<u>Title I - Reading Part B SEA Funds</u>	<u>Secretary of State Family Literacy Grant</u>	<u>Education Outreach Program</u>	<u>State Free Lunch & Breakfast</u>	<u>National School Lunch Program</u>
REVENUES:						
Local sources	\$ -	\$ 3	\$ 5	\$ 1	\$ -	\$ -
State sources	-	-	35,000	-	252	-
Federal sources	-	-	-	180,812	-	2,415
Total revenues	-	3	35,005	180,813	252	2,415
EXPENDITURES:						
Education:						
Salaries	-	-	25,391	101,720	-	-
Benefits	-	-	4,318	18,382	-	-
Purchased services	-	-	3,760	39,929	283	1,528
Supplies and materials	-	-	1,536	15,482	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	35,005	175,513	283	1,528
NET CHANGE IN FUND BALANCES (DEFICIT)	-	3	-	5,300	(31)	887
FUND BALANCES (DEFICIT), UNRESERVED, BEGINNING OF YEAR	(65)	39	454	(2,823)	(110)	1,307
FUND BALANCES (DEFICIT), UNRESERVED, END OF YEAR	\$ (65)	\$ 42	\$ 454	\$ 2,477	\$ (141)	\$ 2,194

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 5
 (CONTINUED)

	<u>School Breakfast Program</u>	<u>Standards Aligned Classroom</u>	<u>Education Technology Grant</u>	<u>Secretary of State RESPRO</u>	<u>English Language Learners</u>	<u>Sterling Truants Alternative Program</u>
REVENUES:						
Local sources	\$ -	\$ -	\$ 13	\$ 2	\$ 1	\$ 21,461
State sources	-	-	-	42,706	-	-
Federal sources	1,227	-	-	-	6,000	-
Total revenues	1,227	-	13	42,708	6,001	21,461
EXPENDITURES:						
Education:						
Salaries	-	-	-	13,121	1,981	16,500
Benefits	-	-	-	1,738	331	2,880
Purchased services	1,126	-	-	20,713	3,143	1,386
Supplies and materials	-	-	-	-	546	-
Capital outlay	-	-	-	-	-	-
Total expenditures	1,126	-	-	35,572	6,001	20,766
NET CHANGE IN FUND BALANCES (DEFICIT)	101	-	13	7,136	-	695
FUND BALANCES (DEFICIT), UNRESERVED, BEGINNING OF YEAR	1,062	629	7	2,065	292	330
FUND BALANCES (DEFICIT), UNRESERVED, END OF YEAR	\$ 1,163	\$ 629	\$ 20	\$ 9,201	\$ 292	\$ 1,025

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 5
 (CONTINUED)

	<u>Kindergarten Standards</u>	<u>McKinney Homeless Grant</u>	<u>ARRA</u>	<u>Dollar General</u>	<u>Barbara Bush</u>	<u>Totals</u>
REVENUES:						
Local sources	\$ -	\$ 2	\$ -	\$ 1	\$ 1	\$ 38,532
State sources	-	-	-	-	-	812,051
Federal sources	-	2,985	15,133	-	-	310,663
Total revenues	-	2,987	15,133	1	1	1,161,246
EXPENDITURES:						
Education:						
Salaries	-	1,701	13,084	-	-	692,252
Benefits	-	294	1,867	-	-	112,907
Purchased services	-	645	182	-	-	209,253
Supplies and materials	-	346	-	-	-	91,028
Capital outlay	-	-	-	-	-	10,710
Total expenditures	-	2,986	15,133	-	-	1,116,150
NET CHANGE IN FUND BALANCES (DEFICIT)	-	1	-	1	1	45,096
FUND BALANCES (DEFICIT), UNRESERVED, BEGINNING OF YEAR	(8)	5	-	11	-	153,986
FUND BALANCES (DEFICIT), UNRESERVED, END OF YEAR	\$ (8)	\$ 6	\$ -	\$ 12	\$ 1	\$ 199,082

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2009

	Regional Safe Schools				Truants Alternative/Optional Education			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Local sources	\$ -	\$ -	\$ 16,017	\$ 16,017	\$ -	\$ -	\$ 5	\$ 5
State sources	110,264	110,264	161,867	51,603	83,626	83,626	83,626	-
Federal sources	-	-	-	-	-	-	-	-
Total revenues	110,264	110,264	177,884	67,620	83,626	83,626	83,631	5
EXPENDITURES:								
Education:								
Salaries	89,500	89,500	101,237	(11,737)	63,540	55,540	56,334	(794)
Benefits	11,933	11,933	14,833	(2,900)	10,978	10,041	9,702	339
Purchased services	7,686	7,686	20,872	(13,186)	8,308	17,245	16,577	668
Supplies and materials	1,145	1,145	7,713	(6,568)	800	800	1,018	(218)
Capital outlay	-	-	908	(908)	-	-	-	-
Total expenditures	110,264	110,264	145,563	(35,299)	83,626	83,626	83,631	(5)
NET CHANGE IN FUND BALANCES (DEFICIT)	\$ -	\$ -	32,321	\$ 32,321	\$ -	\$ -	-	\$ -
FUND BALANCES (DEFICIT), UNRESERVED, BEGINNING OF YEAR			143,191				1,514	
FUND BALANCES (DEFICIT), UNRESERVED, END OF YEAR			\$ 175,512				\$ 1,514	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2009

	Even Start				Early Childhood - Block Grant (0-3)			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Local sources	\$ -	\$ -	\$ 10	\$ 10	\$ -	\$ -	\$ 3	\$ 3
State sources	-	-	-	-	99,028	101,009	101,009	-
Federal sources	100,000	100,000	102,091	2,091	-	-	-	-
Total revenues	100,000	100,000	102,101	2,101	99,028	101,009	101,012	3
EXPENDITURES:								
Education:								
Salaries	46,824	46,824	45,212	1,612	60,299	60,371	60,384	(13)
Benefits	8,476	8,476	7,636	840	10,914	10,927	10,323	604
Purchased services	37,124	37,124	37,103	21	13,395	15,047	11,103	3,944
Supplies and materials	7,576	7,576	10,059	(2,483)	14,420	13,614	17,344	(3,730)
Capital outlay	-	-	-	-	-	1,050	1,858	(808)
Total expenditures	100,000	100,000	100,010	(10)	99,028	101,009	101,012	(3)
NET CHANGE IN FUND BALANCES (DEFICIT)	\$ -	\$ -	2,091	\$ 2,091	\$ -	\$ -	-	\$ -
FUND BALANCES (DEFICIT), UNRESERVED, BEGINNING OF YEAR			(5)				1,745	
FUND BALANCES (DEFICIT), UNRESERVED, END OF YEAR			\$ 2,086				\$ 1,745	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2009

	Early Childhood - Block Grant (3-5)				Secretary of State Family Literacy Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Local sources	\$ -	\$ -	\$ 2	\$ 2	\$ -	\$ -	\$ 5	\$ 5
State sources	324,048	330,529	330,529	-	35,000	35,000	35,000	-
Federal sources	-	-	-	-	-	-	-	-
Total revenues	324,048	330,529	330,531	2	35,000	35,000	35,005	5
EXPENDITURES:								
Education:								
Salaries	209,109	209,614	207,466	2,148	25,396	25,396	25,391	5
Benefits	37,420	33,365	32,384	981	4,971	4,971	4,318	653
Purchased services	52,240	51,894	48,006	3,888	3,150	3,150	3,760	(610)
Supplies and materials	23,779	29,017	36,585	(7,568)	1,483	1,483	1,536	(53)
Capital outlay	1,500	6,639	7,944	(1,305)	-	-	-	-
Total expenditures	324,048	330,529	332,385	(1,856)	35,000	35,000	35,005	(5)
NET CHANGE IN								
FUND BALANCES (DEFICIT)	\$ -	\$ -	(1,854)	\$ (1,854)	\$ -	\$ -	-	\$ -
FUND BALANCES (DEFICIT), UNRESERVED, BEGINNING OF YEAR			1,272				454	
FUND BALANCES (DEFICIT), UNRESERVED, END OF YEAR			\$ (582)				\$ 454	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2009

	English Language Learners				McKinney Homeless Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Local sources	\$ -	\$ -	\$ 1	\$ 1	\$ -	\$ -	\$ 2	\$ 2
State sources	-	-	-	-	-	-	-	-
Federal sources	6,000	6,000	6,000	-	9,000	9,000	2,985	(6,015)
Total revenues	6,000	6,000	6,001	1	9,000	9,000	2,987	(6,013)
EXPENDITURES:								
Education:								
Salaries	1,923	1,923	1,981	(58)	1,700	1,700	1,701	(1)
Benefits	393	393	331	62	300	300	294	6
Purchased services	3,109	3,109	3,143	(34)	5,100	5,100	645	4,455
Supplies and materials	575	575	546	29	1,900	1,900	346	1,554
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	6,000	6,000	6,001	(1)	9,000	9,000	2,986	6,014
NET CHANGE IN								
FUND BALANCES (DEFICIT)	\$ -	\$ -	-	\$ -	\$ -	\$ -	1	\$ 1
FUND BALANCES (DEFICIT), UNRESERVED, BEGINNING OF YEAR			292				5	
FUND BALANCES (DEFICIT), UNRESERVED, END OF YEAR			\$ 292				\$ 6	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2009

	Total			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Local sources	\$ -	\$ -	\$ 16,045	\$ 16,045
State sources	651,966	660,428	712,031	51,603
Federal sources	115,000	115,000	111,076	(3,924)
Total revenues	<u>766,966</u>	<u>775,428</u>	<u>839,152</u>	<u>63,724</u>
EXPENDITURES:				
Education:				
Salaries	498,291	490,868	499,706	(8,838)
Benefits	85,385	80,406	79,821	585
Purchased services	130,112	140,355	141,209	(854)
Supplies and materials	51,678	56,110	75,147	(19,037)
Capital outlay	1,500	7,689	10,710	(3,021)
Total expenditures	<u>766,966</u>	<u>775,428</u>	<u>806,593</u>	<u>(31,165)</u>
NET CHANGE IN				
FUND BALANCES (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	32,559	<u>\$ 32,559</u>
FUND BALANCES (DEFICIT), UNRESERVED, BEGINNING OF YEAR			<u>148,468</u>	
FUND BALANCES (DEFICIT), UNRESERVED, END OF YEAR			<u>\$ 181,027</u>	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2009

	<u>General Educational Development</u>	<u>Bus Driver Training</u>	<u>Supervisory</u>	<u>Technology Training</u>	<u>Learning Technology Center</u>	<u>Totals</u>
ASSETS						
Cash (overdrafts) and cash equivalents	\$ 14,084	\$ 5,209	\$ 694	\$ 932	\$ (8,901)	\$ 12,018
Due from other governments	-	-	-	-	7,585	7,585
TOTAL ASSETS	<u>\$ 14,084</u>	<u>\$ 5,209</u>	<u>\$ 694</u>	<u>\$ 932</u>	<u>\$ (1,316)</u>	<u>\$ 19,603</u>
 LIABILITIES AND FUND BALANCES (DEFICIT)						
LIABILITIES						
Accounts payable	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 500
FUND BALANCES (DEFICIT)						
Unreserved	13,584	5,209	694	932	(1,316)	19,103
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 14,084</u>	<u>\$ 5,209</u>	<u>\$ 694</u>	<u>\$ 932</u>	<u>\$ (1,316)</u>	<u>\$ 19,603</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2009

SCHEDULE 8

	<u>General Educational Development</u>	<u>Bus Driver Training</u>	<u>Supervisory</u>	<u>Technology Training</u>	<u>Learning Technology Center</u>	<u>Totals</u>
REVENUES:						
Local sources	\$ 8,539	\$ 627	\$ 3	\$ -	\$ 15,085	\$ 24,254
State sources	-	652	1,000	-	-	1,652
Total revenues	<u>8,539</u>	<u>1,279</u>	<u>1,003</u>	<u>-</u>	<u>15,085</u>	<u>25,906</u>
EXPENDITURES:						
Education:						
Salaries	-	-	-	-	12,787	12,787
Benefits	-	-	-	-	2,182	2,182
Purchased services	2,765	1,136	764	-	116	4,781
Supplies and materials	2,786	100	51	-	-	2,937
Payments to other governments	-	-	419	-	-	419
Total expenditures	<u>5,551</u>	<u>1,236</u>	<u>1,234</u>	<u>-</u>	<u>15,085</u>	<u>23,106</u>
NET CHANGE IN						
FUND BALANCES (DEFICIT)	2,988	43	(231)	-	-	2,800
FUND BALANCES (DEFICIT),						
UNRESERVED,						
BEGINNING OF YEAR	<u>10,596</u>	<u>5,166</u>	<u>925</u>	<u>932</u>	<u>(1,316)</u>	<u>16,303</u>
FUND BALANCES (DEFICIT),						
UNRESERVED, END OF YEAR	<u>\$ 13,584</u>	<u>\$ 5,209</u>	<u>\$ 694</u>	<u>\$ 932</u>	<u>\$ (1,316)</u>	<u>\$ 19,103</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR PROPRIETARY FUNDS
 June 30, 2009

	<u>Meeting the Challenge Workshops</u>	<u>Computer Workshops</u>	<u>Courses Fund</u>	<u>Non-Grant Workshops</u>	<u>IARSS Website Development</u>	<u>Miscellaneous Local Fees</u>	<u>Illinois Principal Mentoring</u>	<u>Totals</u>
ASSETS								
Cash (overdrafts) and cash equivalents	\$ 17,941	\$ 5,792	\$ 1,599	\$ (18,157)	\$ 5,358	\$ 5,079	\$ 1,500	\$ 19,112
LIABILITIES								
Accounts payable	-	-	-	414	-	-	-	414
Due to other funds	-	-	-	5,528	-	409	-	5,937
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,942</u>	<u>-</u>	<u>409</u>	<u>-</u>	<u>6,351</u>
NET ASSETS								
Unrestricted	<u>\$ 17,941</u>	<u>\$ 5,792</u>	<u>\$ 1,599</u>	<u>\$ (24,099)</u>	<u>\$ 5,358</u>	<u>\$ 4,670</u>	<u>\$ 1,500</u>	<u>\$ 12,761</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
Year Ended June 30, 2009

	<u>Meeting the Challenge Workshops</u>	<u>Computer Workshops</u>	<u>Courses Fund</u>	<u>Non-Grant Workshops</u>	<u>IARSS Website Development</u>	<u>Miscellaneous Local Fees</u>	<u>Illinois Principal Mentoring</u>	<u>Totals</u>
OPERATING REVENUES:								
Local sources	\$ 8,660	\$ 450	\$ -	\$ 22,330	\$ 3,500	\$ 1,753	\$ 4,500	\$ 41,193
OPERATING EXPENSES:								
Salaries	6,305	-	-	7,591	4,000	-	-	17,896
Benefits	965	-	-	580	626	-	-	2,171
Purchased services	7,304	616	-	2,734	71	971	4,000	15,696
Supplies and materials	166	-	-	2,046	-	553	-	2,765
Total operating expenses	14,740	616	-	12,951	4,697	1,524	4,000	38,528
OPERATING INCOME (LOSS)	(6,080)	(166)	-	9,379	(1,197)	229	500	2,665
NONOPERATING REVENUES								
Interest revenue	157	37	-	-	2	11	-	207
INCREASE (DECREASE) IN NET ASSETS	(5,923)	(129)	-	9,379	(1,195)	240	500	2,872
NET ASSETS, BEGINNING OF YEAR	23,864	5,921	1,599	(33,478)	6,553	4,430	1,000	9,889
NET ASSETS, END OF YEAR	\$ 17,941	\$ 5,792	\$ 1,599	\$ (24,099)	\$ 5,358	\$ 4,670	\$ 1,500	\$ 12,761

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 Year Ended June 30, 2009

	<u>Meeting the Challenge Workshops</u>	<u>Computer Workshops</u>	<u>Courses Fund</u>	<u>Non-Grant Workshops</u>	<u>IARSS Website Development</u>	<u>Miscellaneous Local Fees</u>	<u>Illinois Principal Mentoring</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:								
Receipts for workshops and services	\$ 8,660	\$ 450	\$ -	\$ 22,330	\$ 3,500	\$ 1,753	\$ 4,500	\$ 41,193
Payments to suppliers and providers of goods and services	(7,470)	(616)	-	(4,366)	(71)	(1,524)	(4,000)	(18,047)
Payments to employees	(7,270)	-	-	(8,171)	(4,626)	-	-	(20,067)
Net cash provided by (used in) operating activities	<u>(6,080)</u>	<u>(166)</u>	<u>-</u>	<u>9,793</u>	<u>(1,197)</u>	<u>229</u>	<u>500</u>	<u>3,079</u>
CASH FLOWS FROM INVESTING ACTIVITIES:								
Interest	<u>157</u>	<u>37</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>11</u>	<u>-</u>	<u>207</u>
NET INCREASE (DECREASE) IN CASH (OVERDRAFTS) AND CASH EQUIVALENTS								
	(5,923)	(129)	-	9,793	(1,195)	240	500	3,286
CASH (OVERDRAFTS) AND CASH EQUIVALENTS, BEGINNING OF YEAR								
	<u>23,864</u>	<u>5,921</u>	<u>1,599</u>	<u>(27,950)</u>	<u>6,553</u>	<u>4,839</u>	<u>1,000</u>	<u>15,826</u>
CASH (OVERDRAFTS) AND CASH EQUIVALENTS, END OF YEAR								
	<u>\$ 17,941</u>	<u>\$ 5,792</u>	<u>\$ 1,599</u>	<u>\$ (18,157)</u>	<u>\$ 5,358</u>	<u>\$ 5,079</u>	<u>\$ 1,500</u>	<u>\$ 19,112</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:								
Operating income (loss)	\$ (6,080)	\$ (166)	\$ -	\$ 9,379	\$ (1,197)	\$ 229	\$ 500	\$ 2,665
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Effects of increase in liabilities:								
Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>414</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>414</u>
Net cash provided by (used in) operating activities	<u>\$ (6,080)</u>	<u>\$ (166)</u>	<u>\$ -</u>	<u>\$ 9,793</u>	<u>\$ (1,197)</u>	<u>\$ 229</u>	<u>\$ 500</u>	<u>\$ 3,079</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 June 30, 2009

	<u>Distributive Fund</u>	<u>Payroll Fund</u>	<u>Public Aid Fund</u>	<u>Total</u>
ASSETS				
Cash (overdrafts) and cash equivalents	\$ 750	\$ (11,997)	\$ 415	\$ (10,832)
LIABILITIES				
Due to other governments	\$ 750	\$ (11,997)	\$ 415	\$ (10,832)

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended June 30, 2009

	<u>Balance, June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2009</u>
DISTRIBUTIVE FUND				
ASSETS				
Cash and cash equivalents	\$ 1,376	\$ 3,910,570	\$ 3,911,196	\$ 750
LIABILITIES				
Due to other governments	\$ 1,376	\$ 3,910,570	\$ 3,911,196	\$ 750
PAYROLL FUND				
ASSETS				
Cash (overdrafts) and cash equivalents	\$ (11,996)	\$ 639,326	\$ 639,327	\$ (11,997)
LIABILITIES				
Due to other governments	\$ (11,996)	\$ 639,326	\$ 639,327	\$ (11,997)
PUBLIC AID FUND				
ASSETS				
Cash and cash equivalents	\$ 415	\$ -	\$ -	\$ 415
LIABILITIES				
Due to other governments	\$ 415	\$ -	\$ -	\$ 415
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash (overdrafts) and cash equivalents	\$ (10,205)	\$ 4,549,896	\$ 4,550,523	\$ (10,832)
LIABILITIES				
Due to other governments	\$ (10,205)	\$ 4,549,896	\$ 4,550,523	\$ (10,832)

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
Year Ended June 30, 2009

	Regional Superintendent of Schools	Bi-County Special Education Coop	Totals
Early Childhood Block Grant	\$ 431,538	\$ -	\$ 431,538
Even Start	100,000	-	100,000
Regional Safe Schools	110,264	-	110,264
Truants Alternative/Optional Education	83,626	-	83,626
ROE/ISC Operations	71,623	-	71,623
General State Aid	51,190	-	51,190
Breakfast Incentive	52	-	52
National Lunch	2,170	13,117	15,287
Supervisory	1,000	-	1,000
School Bus Driver Training	596	-	596
School Breakfast	1,054	-	1,054
State Free Lunch & Breakfast	157	607	764
English Language Learners	6,000	-	6,000
ARRA	15,133	-	15,133
Special Education IDEA	-	2,357,930	2,357,930
Special Education Personnel	-	561,876	561,876
Special Education Preschool	-	103,263	103,263
	<u>\$ 874,403</u>	<u>\$ 3,036,793</u>	<u>\$ 3,911,196</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2009

Federal Grantor/Pass- Through Grantor, Program or Cluster Title	CFDA Number	Project Number (1st 8 digits) or Contract #	Federal Expenditures June 30, 2009
U.S. Department of Education passed through Illinois State Board of Education:			
Evenstart Family Literacy	84.213C	09-4335-00	\$ 100,000
English Language Learners	84.365A	09-4999-PD	6,000
State Fiscal Stabilization Funds (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)	84.394A	09-4850-93	<u>15,133</u>
Total U.S. Department of Education			121,133
U.S. Department of Education passed through Lee/Ogle Counties Regional Office of Education No. 47			
McKinney Homeless Grant	84.196A	09-4920-00	2,985
U.S. Department of Agriculture passed through Illinois State Board of Education:			
National School Lunch Program	10.555	08-4210-00	335
National School Lunch Program	10.555	09-4210-00	<u>1,193</u>
Total National School Lunch Program			1,528
School Breakfast Program	10.553	08-4220-00	173
School Breakfast Program	10.553	09-4220-00	<u>953</u>
Total School Breakfast Program			1,126
Total U.S. Department of Agriculture			2,654
U.S. Department of Labor passed through Northwest Illinois Workforce Partnership:			
(M) Education Outreach Program	17.259	PY07-08-68104-03Y	<u>175,513</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 302,285</u></u>

(M) Program was audited as a major program

The accompanying notes are an integral part of this schedule.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION #55
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Regional Office of Education No. 55 and is prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of these basic financial statements.

NOTE 2 - SUBRECIPIENTS

NONE

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAMS

Education Outreach Program - this program is associated with workforce investment activities that are designed to increase educational and occupational skill attainment by participants.

NOTE 4 - NON-CASH ASSISTANCE

NONE

NOTE 5 - AMOUNT OF INSURANCE

NONE

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

NONE

This information is an integral part of the accompanying schedule.