

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, 2010

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55

TABLE OF CONTENTS

	PAGE
<b>OFFICIALS</b> .....	1
<b>COMPLIANCE REPORT SUMMARY</b> .....	2
<b>FINANCIAL STATEMENT REPORT SUMMARY</b> .....	3
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report .....	4
Independent Auditors' 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 .....	6
Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on 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 .....	8
Schedule of Findings and Questioned Costs .....	10
Corrective Action Plan for Current Year Audit Findings.....	14
Summary Schedule of Prior Audit Findings.....	15
Management's Discussion and Analysis .....	16
<b>BASIC FINANCIAL STATEMENTS</b> .....	31
<b>EXHIBIT</b>	
Government-wide Financial Statements:	
Statement of Net Assets .....	A ..... 32
Statement of Activities.....	B ..... 33
Governmental Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	C ..... 34
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets.....	D ..... 35
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	E ..... 36
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities Governmental Funds .....	F ..... 37

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**

**TABLE OF CONTENTS (Continued)**

	<b>PAGE</b>
<b>BASIC FINANCIAL STATEMENTS (Continued)</b>	
	<b>EXHIBIT</b>
Proprietary Fund Financial Statements:	
Statement of Net Assets - Proprietary Funds ..... G .....	38
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds..... H .....	39
Statement of Cash Flows - Proprietary Funds..... I .....	40
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Assets - Fiduciary Funds ..... J .....	41
Notes to Financial Statements .....	42
<b>REQUIRED SUPPLEMENTAL INFORMATION .....</b>	<b>65</b>
Schedule of Funding Progress - Illinois Municipal Retirement Fund (Unaudited) .....	66
<b>SUPPLEMENTAL INFORMATION .....</b>	<b>67</b>
	<b>SCHEDULE</b>
General Fund Accounts:	
Combining Schedule of Accounts..... 1 .....	68
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances..... 2 .....	69
Budgetary Comparison Schedule..... 3 .....	70
Education Fund Accounts:	
Combining Schedule of Accounts..... 4 .....	71
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances..... 5 .....	78
Education Fund Accounts - Budgetary Comparison Schedule .....	85
Combining Balance Sheet - Nonmajor Special Revenue Funds..... 7 .....	91
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds .....	92

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55

TABLE OF CONTENTS (Continued)

	PAGE
<b>SUPPLEMENTAL INFORMATION (Continued)</b>	
	<b>SCHEDULE</b>
Combining Statement of Net Assets - Nonmajor Proprietary Funds.....	9 ..... 93
Combining Statement of Revenues, Expenses, and Changes in Fund	
Net Assets - Nonmajor Proprietary Funds .....	10 ..... 94
Combining Statement of Cash Flows - Nonmajor Proprietary Funds .....	11 ..... 95
Fiduciary Funds:	
Combining Statement of Fiduciary Net Assets -	
Agency Funds .....	12 ..... 96
Combining Statement of Changes in Assets and Liabilities -	
Agency Funds .....	13 ..... 97
Schedule of Disbursements to School District Treasurers	
and Other Entities - Distributive Fund.....	14 ..... 98
<b>FEDERAL COMPLIANCE SECTION</b>	
Schedule of Expenditures of Federal Awards .....	15 ..... 99
Notes to the Schedule of Expenditures of Federal Awards .....	100

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55

OFFICIALS

Regional Superintendent  
(During the Audit Period)

Mr. Gary J. Steinert

Regional Superintendent  
(Current)

Mr. Robert Sondgeroth

Assistant Regional Superintendent  
(During the Audit Period)

Mr. Robert Sondgeroth

Assistant Regional Superintendent  
(Current)

Vacant

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	1
Repeated audit findings	1	0
Prior recommendations implemented or not repeated	0	0

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)			
10-1	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 Whiteside County Regional Office of Education No. 55 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2010. Throughout the audit, numerous meetings were held between auditors and Regional Office officials to discuss matters contained in this audit report. Responses to the recommendations were provided by Honorable Gary J. Steinert, Regional Superintendent, on April 5, 2011.

**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 AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Whiteside County Regional Office of Education No. 55, as of and for the year ended June 30, 2010, 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, 2010, 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 27, 2011 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 66 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.

*Wendy Palm & Foster, CPA PC*

Clinton, Iowa  
June 27, 2011

**INDEPENDENT AUDITORS' 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, 2010, which collectively comprise the Whiteside County Regional Office of Education No. 55's basic financial statements and have issued our report thereon dated June 27, 2011. 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 10-1 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.

*Wendell Palm & Foster, CPA PC*

Clinton, Iowa  
June 27, 2011

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 Whiteside County Regional Office of Education No. 55's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Whiteside County Regional Office of Education No. 55's major federal programs for the year ended June 30, 2010. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

## 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 to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

*Wendy Palm & Foster, CPA PC*

Clinton, Iowa  
June 27, 2011

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2010**

**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      x   no
- Significant deficiencies identified that are not considered to be material weaknesses?   x   yes    \_\_\_\_\_ none reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ yes      x   no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes      x   no
- Significant deficiencies identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes      x   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      x   no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<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      x   no

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2010**

**Section II: Financial Statement Findings:**

**FINDING NO. 10-1 - Controls Over Financial Statement Preparation** (Repeat from 2009 - No. 09-1)

**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 adjustments that were required to present financial statements in accordance with generally accepted accounting principles.

**Effect:**

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

**Cause:**

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, 2010**

**Section II: Financial Statement Findings:**

**FINDING NO. 10-1 - Controls Over Financial Statement Preparation** (Repeat from 2009 - No. 09-1) (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 County or 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, 2010**

**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, 2010**

**FINDING NO. 10-1 - 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 adjustments that were 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 County or 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, 2010**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
09-1	Controls Over Financial Statement Preparation	Repeated

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

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2010**

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, 2010. We encourage readers to consider this information in conjunction with the Whiteside County Regional Office of Education No. 55's financial statements, which follow.

**2010 FINANCIAL HIGHLIGHTS**

- General Fund revenues increased from \$335,457 in 2009 to \$373,009 in 2010 due to an increase in on-behalf payments. The Whiteside County Regional Office of Education No. 55 showed a decrease in General Fund balance from \$76,732 in fiscal year 2009 to \$51,592 in fiscal year 2010 due to cuts by the State of Illinois in revenues to certain programs causing a shift of expenditures to the General Fund.
- The Institute Fund's fund balance increased from \$25,420 in 2009 to \$36,396 in 2010. The main 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.
- The Education Fund's fund balance decreased from \$199,082 in 2009 to \$77,826 in 2010. 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, 2010**

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, 2010**

**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"> <li>• Statement of Net Assets</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Assets</li> <li>• Statement of Revenues, Expenses, and Changes in Fund Net Assets</li> <li>• Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Assets</li> </ul>
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, 2010

**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.

***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, 2010**

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.

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, 2010

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 \$428,284 as of June 30, 2010.

A portion of Whiteside County Regional Office of Education No. 55's net assets (10%) 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, 2010 and 2009.

**2010**

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
Current assets	\$ 560,768	\$ 11,668	\$ 572,436
Capital assets, net of accumulated depreciation	<u>54,208</u>	<u>-</u>	<u>54,208</u>
Total assets	<u>614,976</u>	<u>11,668</u>	<u>626,644</u>
Current liabilities	189,477	19	189,496
Noncurrent liabilities	<u>8,864</u>	<u>-</u>	<u>8,864</u>
Total liabilities	<u>198,341</u>	<u>19</u>	<u>198,360</u>
Net assets			
Invested in capital assets, net of related debt	43,359	-	43,359
Unrestricted	336,880	11,649	348,529
Restricted for teacher professional development	<u>36,396</u>	<u>-</u>	<u>36,396</u>
<b>Total net assets</b>	<b><u>\$ 416,635</u></b>	<b><u>\$ 11,649</u></b>	<b><u>\$ 428,284</u></b>

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2010**

<u>2009</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
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>
 <b>Total net assets</b>	 <u>\$ 371,687</u>	 <u>\$ 12,761</u>	 <u>\$ 384,448</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 \$348,529 for the year ended June 30, 2010. 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, 2010**

**Changes in net assets.** Whiteside County Regional Office of Education No. 55's total revenue for the fiscal year ended June 30, 2010 was \$1,617,335. The total cost of all programs and services was \$1,573,499. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2010 and 2009.

**2010**

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<b>Revenues:</b>			
Program revenues			
Charges for services	\$ -	\$ 29,742	\$ 29,742
Operating grants and contributions	1,129,122	-	1,129,122
General revenues			
Local sources	109,838	91	109,929
State sources	42,868	-	42,868
On-behalf payments	<u>305,674</u>	<u>-</u>	<u>305,674</u>
Total revenues	<u>1,587,502</u>	<u>29,833</u>	<u>1,617,335</u>
<b>Expenses:</b>			
Instructional services			
Salaries and benefits	915,087	5,684	920,771
Purchased services	252,172	22,953	275,125
Supplies and materials	58,194	2,308	60,502
Capital outlay	1,691	-	1,691
Other objects	691	-	691
Depreciation and disposition losses	9,045	-	9,045
Administrative			
On-behalf payments	<u>305,674</u>	<u>-</u>	<u>305,674</u>
Total expenses	<u>1,542,554</u>	<u>30,945</u>	<u>1,573,499</u>
<b>Change in net assets</b>	44,948	(1,112)	43,836
<b>Net assets, beginning of year</b>	<u>371,687</u>	<u>12,761</u>	<u>384,448</u>
<b>Net assets, end of year</b>	<u>\$ 416,635</u>	<u>\$ 11,649</u>	<u>\$ 428,284</u>

Operating grants and contributions account for 70% of the total revenue. Whiteside County Regional Office of Education No. 55's expenses primarily relate to instructional services, which account for 81% of the total expenses.

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2010

<u>2009</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
<b>Revenues:</b>			
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>
<b>Expenses:</b>			
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>
<b>Change in net assets</b>	48,644	2,872	51,516
<b>Net assets, beginning of year</b>	<u>323,043</u>	<u>9,889</u>	<u>332,932</u>
<b>Net assets, end of year</b>	<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, 2010

**Governmental Activities**

Revenues for governmental activities were \$1,587,502 and \$1,530,323 and expenses were \$1,542,554 and \$1,481,679 for 2010 and 2009, 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>2010</u>	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instructional services		
Salaries and benefits	\$ 915,087	\$ (82,358)
Purchased services	252,172	(21,736)
Supplies and materials	58,194	(5,237)
Capital outlay	1,691	10,680
Other objects	691	(62)
Depreciation and disposition losses	9,045	(9,045)
Administrative		
On-behalf payments	<u>305,674</u>	<u>(305,674)</u>
<b>Total expenses</b>	<b><u>\$ 1,542,554</u></b>	<b><u>\$ (413,432)</u></b>
<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>
<b>Total expenses</b>	<b><u>\$ 1,481,679</u></b>	<b><u>\$ (335,652)</u></b>

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2010**

- The cost of all governmental activities was \$1,542,554 and \$1,481,679 for 2010 and 2009, respectively.
- Federal and state governments subsidized certain governmental activities with grants and contributions of \$1,129,122 and \$1,146,027 for 2010 and 2009, respectively.

Net cost of governmental activities (\$413,432), was financed by general revenues, which are made up of primarily local sources (\$109,838), state sources (\$42,868), and on-behalf payments (\$305,674) for 2010.

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.

**Business-Type Activities**

Revenues for business-type activities were \$29,833 and \$41,400 and expenses were \$30,945 and \$38,528 for 2010 and 2009, 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 \$178,567, below last year's ending fund balances of \$320,337.

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2010**

**Governmental Fund Highlights**

The General Fund's fund balance decreased from \$76,732 in 2009 to \$51,592 in 2010. The main reason for the decrease is due to cuts by the State of Illinois in revenues to certain programs causing a shift of expenditures to the General Fund.

The Institute Fund's fund balance increased from \$25,420 in 2009 to \$36,396 in 2010. The main 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.

The Education Fund's fund balance decreased from \$199,082 in 2009 to \$77,826 in 2010. 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 or cut back while others see a funding increase. Additionally, in fiscal year 2010 there were approximately \$194,709 of receivables that were received after 60 days after year end. These revenues are not recognized in the governmental fund financial statements, as they are not considered available. Over the various programs that make up the fund, total expenditures exceeded revenues by \$121,256 thus decreasing the fiscal year 2009 fund balance from \$199,082 to \$77,826 in fiscal year 2010.

**Proprietary Fund Highlights**

Proprietary Fund net assets decreased from \$12,761 at June 30, 2009 to \$11,649 at June 30, 2010, representing a decrease of approximately 9%. The reason for the decrease is due to workshops not generating the same amount of revenue as in the past.

**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, 2010**

**Capital Assets**

As of June 30, 2010, Whiteside County Regional Office of Education No. 55 had invested \$54,208 in capital assets, including furniture and equipment. This amount was \$2,858 lower when compared to 2009. Total depreciation expense for the year was \$8,945.

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2010.

	<b>Governmental Activities</b>
Furniture and equipment	\$ 10,856
Building improvement	43,352
<b>Total capital assets</b>	<b>\$ 54,208</b>

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

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

Additional information on Whiteside County Regional Office of Education No. 55's capital assets can be found in Note 8 on page 60 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, 2010**

**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, 2010

	<u>Primary Government</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 199,539	\$ -	\$ 199,539
Due from other governments	372,367	530	372,897
Due from other funds	(11,138)	11,138	-
Total current assets	560,768	11,668	572,436
Non-current assets:			
Capital assets, being depreciated, net	54,208	-	54,208
Total assets	614,976	11,668	626,644
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	12,264	19	12,283
Due to other governments	3,432	-	3,432
Deferred revenue	83,378	-	83,378
Lease payable	1,985	-	1,985
Note payable	88,418	-	88,418
Total current liabilities	189,477	19	189,496
Noncurrent liabilities			
Lease payable	8,864	-	8,864
<b>TOTAL LIABILITIES</b>	198,341	19	198,360
<b>NET ASSETS</b>			
Investment in capital assets, net of related debt	43,359	-	43,359
Unrestricted	336,880	11,649	348,529
Restricted for teacher professional development	36,396	-	36,396
<b>Total net assets</b>	<b>\$ 416,635</b>	<b>\$ 11,649</b>	<b>\$ 428,284</b>

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, 2010

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Operating		Primary Government		Total
		Charges for Services	Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary government:						
Governmental activities:						
Education:						
Salaries and benefits	\$ 915,087	\$ -	\$ 832,729	\$ (82,358)	\$ -	\$ (82,358)
Purchased services	252,172	-	230,436	(21,736)	-	(21,736)
Supplies and materials	58,194	-	52,957	(5,237)	-	(5,237)
Capital outlay	1,691	-	12,371	10,680	-	10,680
Other objects	691	-	629	(62)	-	(62)
Depreciation and disposition losses	9,045	-	-	(9,045)	-	(9,045)
Administrative:						
On-behalf payments	305,674	-	-	(305,674)	-	(305,674)
Total governmental activities	1,542,554	-	1,129,122	(413,432)	-	(413,432)
Business-type activities:						
Professional development	30,945	29,742	-	-	(1,203)	(1,203)
<b>Total primary government</b>	<b>\$ 1,573,499</b>	<b>\$ 29,742</b>	<b>\$ 1,129,122</b>	<b>(413,432)</b>	<b>(1,203)</b>	<b>(414,635)</b>
General revenues:						
Local sources				109,838	91	109,929
State sources				42,868	-	42,868
On-behalf payments				305,674	-	305,674
Total general revenue				458,380	91	458,471
<b>CHANGE IN NET ASSETS</b>				44,948	(1,112)	43,836
<b>NET ASSETS, BEGINNING OF YEAR</b>				371,687	12,761	384,448
<b>NET ASSETS, END OF YEAR</b>				<b>\$ 416,635</b>	<b>\$ 11,649</b>	<b>\$ 428,284</b>

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, 2010**

	Special Revenue				
	General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 37,073	\$ 162,466	\$ -	\$ 199,539
Due from other governments	32,816	-	324,286	15,265	372,367
Due from other funds	274,977	-	209,086	25,304	509,367
	<u>274,977</u>	<u>-</u>	<u>209,086</u>	<u>25,304</u>	<u>509,367</u>
<b>TOTAL ASSETS</b>	<u>\$ 307,793</u>	<u>\$ 37,073</u>	<u>\$ 695,838</u>	<u>\$ 40,569</u>	<u>\$ 1,081,273</u>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 489	\$ 570	\$ 10,585	\$ 620	\$ 12,264
Due to other governments	483	102	2,847	-	3,432
Due to other funds	230,991	5	274,919	14,590	520,505
Deferred revenue	18,819	-	248,473	10,795	278,087
Note payable	5,419	-	81,188	1,811	88,418
Total liabilities	<u>256,201</u>	<u>677</u>	<u>618,012</u>	<u>27,816</u>	<u>902,706</u>
<b>FUND BALANCE</b>					
Unreserved, reported in:					
General fund	51,592	-	-	-	51,592
Special revenue funds	-	36,396	77,826	12,753	126,975
Total fund balance	<u>51,592</u>	<u>36,396</u>	<u>77,826</u>	<u>12,753</u>	<u>178,567</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 307,793</u>	<u>\$ 37,073</u>	<u>\$ 695,838</u>	<u>\$ 40,569</u>	<u>\$ 1,081,273</u>

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, 2010**

<b>Total fund balance of governmental funds (page 34)</b>	\$	178,567
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.		54,208
Capital lease obligations are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(10,849)
Receivables not collected within 60 days of year end are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.		<u>194,709</u>
<b>Net assets of governmental activities (page 32)</b>	<b>\$</b>	<b><u>416,635</u></b>

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, 2010

	Special Revenue				Total Governmental Funds
	General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	
<b>REVENUES:</b>					
Local sources	\$ 33,606	\$ 18,557	\$ 32,540	\$ 14,340	\$ 99,043
State sources	33,729	-	649,881	2,224	685,834
Federal sources	-	-	302,242	-	302,242
On-behalf payments	305,674	-	-	-	305,674
Total revenues	<u>373,009</u>	<u>18,557</u>	<u>984,663</u>	<u>16,564</u>	<u>1,392,793</u>
<b>EXPENDITURES:</b>					
Education:					
Salaries and benefits	72,009	532	827,647	14,899	915,087
Purchased services	16,525	7,049	225,173	4,479	253,226
Supplies and materials	3,836	-	51,296	3,062	58,194
Other objects	105	-	112	474	691
On-behalf payments	305,674	-	-	-	305,674
Capital outlay	11,903	-	1,691	-	13,594
Total expenditures	<u>410,052</u>	<u>7,581</u>	<u>1,105,919</u>	<u>22,914</u>	<u>1,546,466</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(37,043)	10,976	(121,256)	(6,350)	(153,673)
<b>OTHER FINANCING SOURCES</b>					
Proceeds of capital lease obligations	11,903	-	-	-	11,903
<b>NET CHANGE IN FUND BALANCE</b>	(25,140)	10,976	(121,256)	(6,350)	(141,770)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>76,732</u>	<u>25,420</u>	<u>199,082</u>	<u>19,103</u>	<u>320,337</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 51,592</u>	<u>\$ 36,396</u>	<u>\$ 77,826</u>	<u>\$ 12,753</u>	<u>\$ 178,567</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, 2010**

**Net change in fund balance (page 36)** **\$ (141,770)**

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

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

Capital outlay	\$	11,903	
Depreciation		(8,945)	
Loss on disposal of assets		<u>(100)</u>	2,858

A capital asset acquired this year was financed  
with a capital lease. The amount financed  
by the lease is reported in the governmental  
funds as a source of financing. On the other  
hand, the capital lease is not revenue in the  
Statement of Activities, but rather constitutes  
a long-term liability in the Statement of Net  
Assets. (11,903)

Repayment of long-term capital lease obligations  
is reported as an expenditure in the  
governmental funds, but the repayment  
reduced long-term liabilities in the Statement  
of Net Assets. 1,054

Some receivables will not be collected for several  
months after the fiscal year end, so they are  
not considered as "available" revenues in the  
governmental funds, and they are instead  
counted as deferred revenues. They are,  
however, recorded as revenues in the  
Statement of Activities. 194,709

**Change in net assets of governmental activities (page 33)** **\$ 44,948**

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, 2010

	<b>Business-Type Activities Enterprise Funds</b> <hr style="width: 100%;"/> <b>Other Nonmajor Funds</b>
<b>ASSETS</b>	
Current assets:	
Due from other governments	\$ 530
Due from other funds	39,010
	<hr style="width: 100%;"/>
<b>TOTAL ASSETS</b>	<b>39,540</b>
	<hr style="width: 100%;"/>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	19
Due to other funds	27,872
	<hr style="width: 100%;"/>
Total liabilities	<b>27,891</b>
	<hr style="width: 100%;"/>
<b>NET ASSETS</b>	
Unrestricted	\$ 11,649
	<hr style="width: 100%;"/>

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, 2010**

	<b>Business-Type Activities Enterprise Funds</b> <hr/> <b>Other Nonmajor Funds</b> <hr/>
<b>OPERATING REVENUES:</b>	
Local sources	\$ <u>29,742</u>
<b>OPERATING EXPENSES:</b>	
Salaries and benefits	5,684
Purchased services	22,953
Supplies and materials	<u>2,308</u>
Total operating expenses	<u>30,945</u>
<b>OPERATING LOSS</b>	(1,203)
<b>NONOPERATING REVENUES</b>	
Interest revenue	<u>91</u>
<b>DECREASE IN NET ASSETS</b>	(1,112)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>12,761</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ <u>11,649</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, 2010

	<b>Business-Type Activities Enterprise Funds</b> <hr style="width: 100%;"/> <b>Other Nonmajor Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts for workshops and services	\$ 29,212
Payments to suppliers and providers of goods and services	(25,656)
Payments to employees	<u>(5,684)</u>
Net cash used in operating activities	(2,128)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Interfund loans	(17,075)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest	<u>91</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(19,112)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>19,112</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ -</u>
<b>Reconciliation of operating income to net cash used in operating activities:</b>	
Operating loss	\$ (1,203)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Effects of changes in assets and liabilities:	
Increase in due from other governments	(530)
Decrease in accounts payable	<u>(395)</u>
<b>Net cash used in operating activities</b>	<u>\$ (2,128)</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, 2010**

	<b><u>Agency Funds</u></b>
<b>ASSETS</b>	
Cash (overdrafts) and cash equivalents	\$ (10,799)
Due from other governments	<u>664,666</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 653,867</u></b>
<b>LIABILITIES</b>	
Due to other governments	<u>\$ 653,867</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, 2010**

**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, 2010**

**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, 2010**

**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, 2010**

**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, 2010**

**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, 2010**

**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.

Gifted Education - this program provides professional development for teachers in the gifted areas.

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.

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

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.

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.

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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. Revenues received more than 60 days after the end of the current period are deferred in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements.

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**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2010

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

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.

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2010

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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.

The Whiteside County Regional Office of Education No. 55 reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

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.

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 a lease payable which represents the debt related to these assets for fiscal year 2010.

*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, 2010 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), Title I - Reading First Part B SEA Funds, Secretary of State Family Literacy Grant, English Language Learners, McKinney Homeless Grant, and Gifted Education.

**Subsequent Events**

Management has evaluated subsequent events through June 27, 2011, 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**  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2010

**NOTE 2 - INTERGOVERNMENTAL AGREEMENT (CONTINUED)**

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.

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, 2010, the carrying amount of Whiteside County Regional Office of Education No. 55's deposits was \$188,740 and the bank balance was \$262,925.

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, 2010, 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:

	<b><u>Carrying Amount</u></b>
Cash - Governmental Funds	\$ 199,539
Cash - Enterprise Funds	-
Cash - Agency	<u>(10,799)</u>
<b>Total</b>	<b><u>\$ 188,740</u></b>

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**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)	10,249
Assistant Regional Superintendent - salary	86,792
Assistant Regional Superintendent - benefits (includes state paid insurance)	18,914
TRS on-behalf payments	90,049
THIS on-behalf payments	<u>3,235</u>
<b>Total on-behalf payments</b>	<b><u>\$ 305,674</u></b>

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, 2010**

**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. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*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 2009 was 9.01 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 fiscal year ending December 31, 2009, the Regional Office of Education No. 55's annual pension cost of \$50,797 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>
12/31/09	\$ 50,797	100%	\$ -
12/31/08	58,161	100%	-
12/31/07	48,699	100%	-

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 5 - EMPLOYEE BENEFIT PLAN (CONTINUED)**

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, 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 10% 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 15% 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, 2007, valuation was 5 years.

*Funded Status and Funding Progress.* As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 75.36 percent funded. The actuarial accrued liability for benefits was \$828,546 and the actuarial value of assets was \$624,361, resulting in an underfunded actuarial accrued liability (UAAL) of \$204,185. The covered payroll (annual payroll of active employees covered by the plan) was \$563,780 and the ratio of the UAAL to the covered payroll was 36 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect 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. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 10 year basis.

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, 2010**

**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, 2010, 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, 2009 and 2008.

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, 2010, the State of Illinois contributions were based on 23.38 percent of creditable earnings not paid from federal funds, and the Regional Office of Education No. 55 recognized revenue and expenditures of \$90,049 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2009 and June 30, 2008, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 17.08 percent (\$34,844) and 13.11 percent (\$18,354), respectively.

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, 2010 were \$1,171. Contributions for the years ending June 30, 2009 and June 30, 2008, were \$1,183 and \$812, respectively.
- **Federal and Trust Fund Contributions.** When TRS members are paid from federal and special 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 for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2010, the employer pension contribution was 23.38 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2009 and 2008, the employer pension contribution was 17.08 and 13.11 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2010, salaries totaling \$36,387 were paid from federal and special trust funds that required employer contributions of \$8,507. For the years ended June 30, 2009 and June 30, 2008, required contributions were \$6,008 and \$4,477, respectively.

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 6 - RETIREMENT PLANS (CONTINUED)**

- **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. Public Act 94-0004 made changes in the ERO program that were in effect for all ERO retirements in fiscal years 2008 through 2010. The act increased member and employer contributions and eliminated the waiver of member and employer ERO contributions that have been in effect for members with 34 years of service. Under the current ERO, the maximum employer contribution is 117.5 percent and applies when the member is age 55 at retirement. For the years ended June 30, 2010, June 30, 2009 and June 30, 2008, 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, 2010, June 30, 2009, and June 30, 2008, 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 (18.55 percent of salary during the year ended June 30, 2010). For the years ended June 30, 2010, June 30, 2009, and June 30, 2008, 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.

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, 2009. The report for the year ended June 30, 2010, is expected to be available in late 2010. 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](http://www.trs.illinois.gov).

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 6 - RETIREMENT PLANS (CONTINUED)**

Teachers Health Insurance Security Fund

The Regional Office of Education No. 55 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to THIS.

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

- **On-behalf Contributions.** The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 55. State contributions are intended to match contributions to THIS Fund from active members which were 0.84 percent of pay during the year ended June 30, 2010. State of Illinois contributions were \$3,235, and the Regional Office of Education No. 55 recognized revenue and expenditures of this amount during the year. Had the Regional Office of Education No. 55 recognized revenue and expenditures for State contributions intended to match active member contributions during the years ended June 30, 2009 and June 30, 2008, under the current standards, the contribution match would have been 0.84 percent of pay or \$3,253 and \$2,789, respectively.
- **Employer Contributions.** The Regional Office of Education No. 55 also makes contributions to THIS Fund. The employer THIS fund contribution was 0.63 percent during the years ended June 30, 2010, June 30, 2009, and June 30, 2008. For the year ended June 30, 2010, the Regional Office of Education No. 55 paid \$1,272 to the THIS Fund. For the years ended June 30, 2009 and June 30, 2008, the Regional Office of Education No. 55 paid \$1,285 and \$882 to the THIS Fund, respectively, which was 100 percent of the required contribution.

The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grant Ave., Springfield, IL 62763-3838.

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 7 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2010 is as follows:

	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Governmental activities:				
Furniture and equipment	\$ 96,440	\$ 11,903	\$ (15,515)	\$ 92,828
Building improvements	<u>92,279</u>	<u>-</u>	<u>-</u>	<u>92,279</u>
	188,719	11,903	(15,515)	185,107
Less accumulated depreciation	<u>(137,369)</u>	<u>(8,945)</u>	<u>15,415</u>	<u>(130,899)</u>
Total capital assets, net	<u>\$ 51,350</u>	<u>\$ 2,958</u>	<u>\$ (100)</u>	<u>\$ 54,208</u>

Depreciation expense was charged as follows:

Governmental activities:	
Education:	
Depreciation and disposition losses	<u>\$ 9,045</u>

**NOTE 8 - LEASE PAYABLE**

The Regional Office of Education No. 55 entered into a lease agreement as a lessee for financing the acquisition of a copier. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date in the capital assets account. The amortized cost of the copier at June 30, 2010 is \$8,939 consisting of a cost of \$11,903 with current year depreciation of \$2,964.

The future minimum lease obligations and the net present value of the lease payments as of June 30, 2010 were as follows:

	<u>Year Ending June 30</u>	<u>Amount</u>
2011		\$ 3,171
2012		3,171
2013		3,171
2014		3,171
2015		<u>1,321</u>
Total minimum lease payments		14,005
Less: amount representing interest		<u>(3,156)</u>
Present value of minimum lease payments		<u>\$ 10,849</u>



**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 9 - NOTE PAYABLE**

The Regional Office of Education No. 55 obtained a line of credit on May 25, 2010 with a credit limit of \$180,000 for the purpose of providing financing to offset delays in the receipt of funding from the State of Illinois. The line of credit has an interest rate of 5.25 percent. Monthly payments for accrued interest are required. The balance at June 30, 2010 is \$88,418. Total interest expense incurred during the year was \$604. The line of credit was originally due in one payment on October 25, 2010; however, this has been extended through November 17, 2011.

**NOTE 10 - 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.

**NOTE 11 - DEFICIT FUND BALANCES**

At June 30, 2010, the following funds had deficit fund balances. They are expected to correct themselves in 2011, through payments from the State and transfers from local funds.

General Fund	
ROE/ISC Operations	\$ (18,890)
Education Fund	
Administrator's Academy	(155)
Scientific Literacy	(159)
Adult Education and Family Literacy Grant	(5,746)
Career Awareness and Development	(693)
Truants Alternative/Optional Education	(18,671)
ROE/ISC School Improvement Grant	(745)
Early Childhood Block Grant (0-3)	(25,858)
Early Childhood Block Grant (3-5)	(80,111)
Title IV - Community Service	(65)
State Free Lunch & Breakfast	(386)
Kindergarten Standards	(8)
Nonmajor Special Revenue Funds	
Learning Technology Center	(11,931)
Nonmajor Proprietary Funds	
Non-Grant Workshops	(26,905)

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 12 - 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	\$ 2,757
Illinois State Board of Education	30,059
Education fund	
Illinois State Board of Education	261,786
Local governments	62,500
Other non-major governmental funds	
Local governments	15,265
Other non-major proprietary funds	
Local governments	530
Agency fund	
Illinois State Board of Education	<u>664,666</u>
Total due from other governments	<u>\$1,037,563</u>

Due to other governments	
General fund	
Local governments	\$ 483
Institute fund	
Local School Districts	102
Education fund	
Local governments	2,847
Agency fund	
Local governments	<u>653,867</u>
Total due to other governments	<u>\$ 657,299</u>

**NOTE 13 - DUE FROM/TO OTHER FUNDS**

Interfund receivables and payables at June 30, 2010 were:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General fund		
General operations	\$ 204,483	\$ 274,977
ROE/ISC Operations	26,508	-
Education fund		
Administrator's Academy	155	-
Scientific Literacy	159	-
Mathematics & Science Partnerships	-	3,008

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2010

**NOTE 13 - DUE FROM/TO OTHER FUNDS (CONTINUED)**

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
Education fund (continued)		
Adult Education and Family Literacy Grant	\$ 700	\$ -
Career Awareness and Development	693	-
Regional Safe Schools	37,236	183,089
Truant Alternative/Optional Education	27,089	-
Even Start	10,360	-
Early Childhood Parenting Program	4	13,219
ROE/ISC School Improvement Grant	748	-
Early Childhood - Block Grant (0-3)	34,512	-
Early Childhood - Block Grant (3-5)	112,757	9,770
Title IV - Community Service	213	-
Title I - Reading First Part B SEA Funds	32	-
Secretary of State Family Literacy Grant	26,461	-
Education Outreach Program	15,425	-
State Free Lunch & Breakfast	455	-
Secretary of State RESPRO	93	-
English Language Learners	10	-
Sterling Truants Alternative Program	4,139	-
Kindergarten Standards	8	-
McKinney Homeless Grant	2,289	-
Barbara Bush	1,168	-
Gifted Education	213	-
Institute Fund	5	-
Nonmajor Special Revenue Funds		
General Educational Development	-	18,187
Bus Driver Training	-	5,699
Supervisory	-	484
Technology Training	-	934
Learning Technology Center	14,590	-
Proprietary fund		
Meeting the Challenge Workshops	12	20,309
Computer Workshops	-	5,807
Courses Fund	11	33
Proprietary fund (continued)		
Non-Grant Workshops	27,435	-
IARSS Website Development	-	7,867
Miscellaneous local fees	409	4,569
Illinois Principal Mentoring	5	425
	<u>5</u>	<u>425</u>
Total	<u>\$ 548,377</u>	<u>\$ 548,377</u>

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2010

**NOTE 14 - 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 15 - NEW PRONOUNCEMENTS**

In 2010, Whiteside County Regional Office of Education No. 55 adopted Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*; GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*; GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. 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. 45, 51, 53, and 58 on the 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, 2010

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/09	\$ 624,361	\$ 828,546	\$ 204,185	75.36%	\$ 563,780	36.22%
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%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$604,542.  
On a market basis, the funded ratio would be 72.96%.

**SUPPLEMENTAL INFORMATION**

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND ACCOUNTS  
 June 30, 2010

	<u>ROE/ISC Operations</u>	<u>General Operations</u>	<u>Total</u>
<b>ASSETS</b>			
Due from other governments	\$ 30,059	\$ 2,757	\$ 32,816
Due from other funds	<u>-</u>	<u>274,977</u>	<u>274,977</u>
<b>TOTAL ASSETS</b>	<u>\$ 30,059</u>	<u>\$ 277,734</u>	<u>\$ 307,793</u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 221	\$ 268	\$ 489
Due to other governments	-	483	483
Due to other funds	26,508	204,483	230,991
Deferred revenue	18,819	-	18,819
Note payable	<u>3,401</u>	<u>2,018</u>	<u>5,419</u>
Total liabilities	48,949	207,252	256,201
<b>FUND BALANCE (DEFICIT), UNRESERVED</b>	<u>(18,890)</u>	<u>70,482</u>	<u>51,592</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT), UNRESERVED</b>	<u>\$ 30,059</u>	<u>\$ 277,734</u>	<u>\$ 307,793</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, 2010**

	<u>ROE/ISC</u> <u>Operations</u>	<u>General</u> <u>Operations</u>	<u>Total</u>
<b>REVENUES:</b>			
Local sources	\$ 1	\$ 33,605	\$ 33,606
State sources	33,729	-	33,729
On-behalf payments	<u>305,674</u>	<u>-</u>	<u>305,674</u>
Total revenues	<u>339,404</u>	<u>33,605</u>	<u>373,009</u>
<b>EXPENDITURES:</b>			
Education:			
Salaries	44,745	15,940	60,685
Benefits	6,810	4,514	11,324
Purchased services	985	15,540	16,525
Supplies and materials	-	3,836	3,836
Capital outlay	-	11,903	11,903
Other objects	8	97	105
On-behalf payments	<u>305,674</u>	<u>-</u>	<u>305,674</u>
Total expenditures	<u>358,222</u>	<u>51,830</u>	<u>410,052</u>
<b>DEFICIENCY OF REVENUES</b>			
<b>    UNDER EXPENDITURES</b>	(18,818)	(18,225)	(37,043)
<b>OTHER FINANCING SOURCES</b>			
Proceeds of capital lease obligations	<u>-</u>	<u>11,903</u>	<u>11,903</u>
<b>NET CHANGE IN FUND BALANCE</b>			
<b>    (DEFICIT)</b>	(18,818)	(6,322)	(25,140)
<b>FUND BALANCE (DEFICIT),</b>			
<b>    UNRESERVED,</b>			
<b>    BEGINNING OF YEAR</b>	<u>(72)</u>	<u>76,804</u>	<u>76,732</u>
<b>FUND BALANCE (DEFICIT),</b>			
<b>    UNRESERVED, END OF YEAR</b>	<u>\$ (18,890)</u>	<u>\$ 70,482</u>	<u>\$ 51,592</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND ACCOUNTS  
 Year Ended June 30, 2010

SCHEDULE 3

	ROE/ISC Operations Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Local sources	\$ -	\$ -	\$ 1	\$ 1
State sources	35,812	56,209	33,729	(22,480)
Total revenues	35,812	56,209	33,730	(22,479)
<b>EXPENDITURES:</b>				
Education:				
Salaries	30,316	46,175	44,745	1,430
Benefits	4,971	8,505	6,810	1,695
Purchased services	525	1,354	985	369
Other objects	-	175	8	167
Total expenditures	35,812	56,209	52,548	3,661
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(18,818)</b>	<b>\$ (18,818)</b>
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>			(72)	
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>			<b>\$ (18,890)</b>	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 June 30, 2010

	<u>Administrator's Academy</u>	<u>Scientific Literacy</u>	<u>Title I - School Improvement &amp; Accountability</u>	<u>Title II - Eisenhower - Leadership Grants</u>	<u>Mathematics &amp; Science Partnerships</u>	<u>Retired Professional Service Corps</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 232	\$ 274	\$ 68	\$ 28
Due from other governments	-	-	-	-	-	-
Due from other funds	-	-	-	-	3,008	-
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 232</u>	<u>\$ 274</u>	<u>\$ 3,076</u>	<u>\$ 28</u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	230	-	-	-
Due to other funds	155	159	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Note payable	-	-	-	-	-	-
Total liabilities	<u>155</u>	<u>159</u>	<u>230</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT)</b>						
Unreserved	<u>(155)</u>	<u>(159)</u>	<u>2</u>	<u>274</u>	<u>3,076</u>	<u>28</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 232</u>	<u>\$ 274</u>	<u>\$ 3,076</u>	<u>\$ 28</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND ACCOUNTS  
June 30, 2010

	Adult Education and Family Literacy <u>Grant</u>	Career Awareness and <u>Development</u>	Regional Safe <u>Schools</u>	Truants Alternative/ Optional <u>Education</u>	School to Work <u>(DOL)</u>	ROE/ISC <u>Technology</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 952	\$ -	\$ 20,174	\$ -	\$ 901	\$ 6
Due from other governments	-	-	56,988	34,520	-	-
Due from other funds	-	-	183,089	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 952</b>	<b>\$ -</b>	<b>\$ 260,251</b>	<b>\$ 34,520</b>	<b>\$ 901</b>	<b>\$ 6</b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 7	\$ -	\$ 388	\$ 501	\$ -	\$ -
Due to other governments	-	-	-	-	895	-
Due to other funds	700	693	37,236	27,089	-	-
Deferred revenue	5,991	-	37,768	20,188	-	-
Note payable	-	-	10,717	5,413	-	-
Total liabilities	6,698	693	86,109	53,191	895	-
<b>FUND BALANCE (DEFICIT)</b>						
Unreserved	(5,746)	(693)	174,142	(18,671)	6	6
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 952</b>	<b>\$ -</b>	<b>\$ 260,251</b>	<b>\$ 34,520</b>	<b>\$ 901</b>	<b>\$ 6</b>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND ACCOUNTS  
June 30, 2010

	<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>	<u>Early Childhood - Block Grant (3-5)</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 35,285	\$ 551	\$ 3	\$ 67	\$ 2,946	\$ -
Due from other governments	-	4,667	-	-	42,020	128,189
Due from other funds	-	13,219	-	-	-	9,770
<b>TOTAL ASSETS</b>	<b>\$ 35,285</b>	<b>\$ 18,437</b>	<b>\$ 3</b>	<b>\$ 67</b>	<b>\$ 44,966</b>	<b>\$ 137,959</b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 1,879	\$ -	\$ -	\$ -	\$ 1,751	\$ 2,432
Due to other governments	-	-	-	-	-	-
Due to other funds	10,360	4	748	-	34,512	112,757
Deferred revenue	14,407	-	-	-	27,606	79,533
Note payable	6,549	-	-	-	6,955	23,348
<b>Total liabilities</b>	<b>33,195</b>	<b>4</b>	<b>748</b>	<b>-</b>	<b>70,824</b>	<b>218,070</b>
<b>FUND BALANCE (DEFICIT)</b>						
Unreserved	2,090	18,433	(745)	67	(25,858)	(80,111)
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 35,285</b>	<b>\$ 18,437</b>	<b>\$ 3</b>	<b>\$ 67</b>	<b>\$ 44,966</b>	<b>\$ 137,959</b>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND ACCOUNTS  
June 30, 2010

	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	Title IV - Community Service
<b>ASSETS</b>						
Cash and cash equivalents	\$ 73	\$ 1,601	\$ 14	\$ 231	\$ 8	\$ -
Due from other governments	-	-	-	-	-	148
Due from other funds	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 73</b>	<b>\$ 1,601</b>	<b>\$ 14</b>	<b>\$ 231</b>	<b>\$ 8</b>	<b>\$ 148</b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	72	-	-	-	-	-
Due to other funds	-	-	-	-	-	213
Deferred revenue	-	-	-	-	-	-
Note payable	-	-	-	-	-	-
Total liabilities	72	-	-	-	-	213
<b>FUND BALANCE (DEFICIT)</b>						
Unreserved	1	1,601	14	231	8	(65)
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 73</b>	<b>\$ 1,601</b>	<b>\$ 14</b>	<b>\$ 231</b>	<b>\$ 8</b>	<b>\$ 148</b>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND ACCOUNTS  
June 30, 2010

	Title I - Reading First Part B <u>SEA Funds</u>	Secretary of State Family Literacy <u>Grant</u>	Education Outreach <u>Program</u>	State Free Lunch & <u>Breakfast</u>	National School Lunch <u>Program</u>	School Breakfast <u>Program</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 8,964	\$ -	\$ 12,391	\$ -	\$ 2,382	\$ 1,426
Due from other governments	-	29,750	16,816	69	-	-
Due from other funds	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 8,964</b>	<b>\$ 29,750</b>	<b>\$ 29,207</b>	<b>\$ 69</b>	<b>\$ 2,382</b>	<b>\$ 1,426</b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 111	\$ 165	\$ 897	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	-	-
Due to other funds	32	26,461	15,425	455	-	-
Deferred revenue	5,934	-	-	-	-	-
Note payable	2,840	2,670	10,405	-	-	-
Total liabilities	8,917	29,296	26,727	455	-	-
<b>FUND BALANCE (DEFICIT)</b>						
Unreserved	47	454	2,480	(386)	2,382	1,426
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 8,964</b>	<b>\$ 29,750</b>	<b>\$ 29,207</b>	<b>\$ 69</b>	<b>\$ 2,382</b>	<b>\$ 1,426</b>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND ACCOUNTS  
June 30, 2010

	<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>	<u>Kindergarten Standards</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 630	\$ 20	\$ 5,813	\$ 306	\$ 7,183	\$ -
Due from other governments	-	-	1,650	-	-	-
Due from other funds	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 630</u>	<u>\$ 20</u>	<u>\$ 7,463</u>	<u>\$ 306</u>	<u>\$ 7,183</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 1,728	\$ 7	\$ -	\$ -
Due to other governments	-	-	1,650	-	-	-
Due to other funds	-	-	93	10	4,139	8
Deferred revenue	-	-	-	-	-	-
Note payable	-	-	2,462	-	2,009	-
Total liabilities	-	-	5,933	17	6,148	8
<b>FUND BALANCE (DEFICIT)</b>						
Unreserved	<u>630</u>	<u>20</u>	<u>1,530</u>	<u>289</u>	<u>1,035</u>	<u>(8)</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<u>\$ 630</u>	<u>\$ 20</u>	<u>\$ 7,463</u>	<u>\$ 306</u>	<u>\$ 7,183</u>	<u>\$ -</u>



WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND ACCOUNTS  
June 30, 2010

	McKinney Homeless <u>Grant</u>	<u>ARRA</u>	Dollar <u>General</u>	Barbara <u>Bush</u>	Gifted <u>Education</u>	<u>Totals</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 15,022	\$ -	\$ 44,915	\$ 162,466
Due from other governments	2,969	-	-	6,500	-	324,286
Due from other funds	-	-	-	-	-	209,086
<b>TOTAL ASSETS</b>	<b>\$ 2,969</b>	<b>\$ -</b>	<b>\$ 15,022</b>	<b>\$ 6,500</b>	<b>\$ 44,915</b>	<b>\$ 695,838</b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 29	\$ -	\$ -	\$ 468	\$ 222	\$ 10,585
Due to other governments	-	-	-	-	-	2,847
Due to other funds	2,289	-	-	1,168	213	274,919
Deferred revenue	-	-	15,000	-	42,046	248,473
Note payable	575	-	-	4,864	2,381	81,188
Total liabilities	2,893	-	15,000	6,500	44,862	618,012
<b>FUND BALANCE (DEFICIT)</b>						
Unreserved	76	-	22	-	53	77,826
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 2,969</b>	<b>\$ -</b>	<b>\$ 15,022</b>	<b>\$ 6,500</b>	<b>\$ 44,915</b>	<b>\$ 695,838</b>

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, 2010

SCHEDULE 5

	<u>Administrator's Academy</u>	<u>Scientific Literacy</u>	<u>Title I - School Improvement &amp; Accountability</u>	<u>Title II - Eisenhower - Leadership Grants</u>	<u>Mathematics &amp; Science Partnerships</u>	<u>Retired Professional Service Corps</u>
<b>REVENUES:</b>						
Local sources	\$ -	\$ -	\$ 1	\$ 1	\$ 4	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Total revenues	-	-	1	1	4	-
<b>EXPENDITURES:</b>						
Education:						
Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Purchased services	-	-	-	-	-	-
Supplies and materials	-	-	-	-	-	-
Other objects	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	-	-	1	1	4	-
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>	(155)	(159)	1	273	3,072	28
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>	\$ (155)	\$ (159)	\$ 2	\$ 274	\$ 3,076	\$ 28

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, 2010

SCHEDULE 5  
 (CONTINUED)

	Adult Education and Family Literacy <u>Grant</u>	Career Awareness and <u>Development</u>	Regional Safe <u>Schools</u>	Truants Alternative/ Optional <u>Education</u>	School to Work <u>(DOL)</u>	ROE/ISC <u>Technology</u>
<b>REVENUES:</b>						
Local sources	\$ 1	\$ -	\$ 15,588	\$ 2	\$ -	\$ -
State sources	17,040	-	121,587	46,596	-	-
Federal sources	-	-	-	-	-	-
Total revenues	17,041	-	137,175	46,598	-	-
<b>EXPENDITURES:</b>						
Education:						
Salaries	13,769	-	100,457	49,252	-	-
Benefits	3,050	-	14,546	8,726	-	-
Purchased services	249	-	14,931	8,472	-	-
Supplies and materials	-	-	8,586	320	-	-
Other objects	-	-	25	13	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	17,068	-	138,545	66,783	-	-
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	(27)	-	(1,370)	(20,185)	-	-
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>	(5,719)	(693)	175,512	1,514	6	6
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>	\$ (5,746)	\$ (693)	\$ 174,142	\$ (18,671)	\$ 6	\$ 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, 2010

SCHEDULE 5  
 (CONTINUED)

	<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>	<u>Early Childhood - Block Grant (3-5)</u>
<b>REVENUES:</b>						
Local sources	\$ 19	\$ 16,810	\$ -	\$ -	\$ 3	\$ 4
State sources	-	-	-	-	60,076	201,056
Federal sources	90,000	-	-	-	-	-
Total revenues	90,019	16,810	-	-	60,079	201,060
<b>EXPENDITURES:</b>						
Education:						
Salaries	48,599	541	-	-	63,800	195,562
Benefits	8,406	93	-	-	11,209	30,753
Purchased services	27,853	1,356	-	-	9,543	45,050
Supplies and materials	5,157	58	-	-	3,113	9,167
Other objects	-	-	-	-	17	57
Capital outlay	-	-	-	-	-	-
Total expenditures	90,015	2,048	-	-	87,682	280,589
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	4	14,762	-	-	(27,603)	(79,529)
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>	2,086	3,671	(745)	67	1,745	(582)
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>	\$ 2,090	\$ 18,433	\$ (745)	\$ 67	\$ (25,858)	\$ (80,111)

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, 2010

SCHEDULE 5  
 (CONTINUED)

	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	Title IV - Community Service
<b>REVENUES:</b>						
Local sources	\$ -	\$ 2	\$ -	\$ 1	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Total revenues	-	2	-	1	-	-
<b>EXPENDITURES:</b>						
Education:						
Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Purchased services	-	-	-	-	-	-
Supplies and materials	-	-	-	-	-	-
Other objects	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	-	2	-	1	-	-
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>	1	1,599	14	230	8	(65)
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>	\$ 1	\$ 1,601	\$ 14	\$ 231	\$ 8	\$ (65)

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, 2010

SCHEDULE 5  
 (CONTINUED)

	<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 &amp; Breakfast</u>	<u>National School Lunch Program</u>	<u>School Breakfast Program</u>
<b>REVENUES:</b>						
Local sources	\$ 5	\$ 1	\$ 3	\$ -	\$ 3	\$ 1
State sources	-	29,750	-	304	-	-
Federal sources	4,081	-	179,623	-	2,621	1,643
Total revenues	4,086	29,751	179,626	304	2,624	1,644
<b>EXPENDITURES:</b>						
Education:						
Salaries	3,634	22,586	100,309	-	-	-
Benefits	304	3,953	19,974	-	-	-
Purchased services	143	2,563	46,486	549	2,436	1,381
Supplies and materials	-	649	12,854	-	-	-
Other objects	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	4,081	29,751	179,623	549	2,436	1,381
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	5	-	3	(245)	188	263
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>	42	454	2,477	(141)	2,194	1,163
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>	\$ 47	\$ 454	\$ 2,480	\$ (386)	\$ 2,382	\$ 1,426

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, 2010

SCHEDULE 5  
 (CONTINUED)

	<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>	<u>Kindergarten Standards</u>
<b>REVENUES:</b>						
Local sources	\$ 1	\$ -	\$ 2	\$ 1	\$ 2	\$ -
State sources	-	-	53,492	-	22,000	-
Federal sources	-	-	-	2,000	-	-
Total revenues	1	-	53,494	2,001	22,002	-
<b>EXPENDITURES:</b>						
Education:						
Salaries	-	-	16,286	1,290	17,799	-
Benefits	-	-	2,119	239	3,154	-
Purchased services	-	-	42,760	475	1,039	-
Supplies and materials	-	-	-	-	-	-
Other objects	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	61,165	2,004	21,992	-
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	1	-	(7,671)	(3)	10	-
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>	629	20	9,201	292	1,025	(8)
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>	\$ 630	\$ 20	\$ 1,530	\$ 289	\$ 1,035	\$ (8)

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, 2010

SCHEDULE 5  
 (CONTINUED)

	McKinney Homeless Grant	ARRA	Dolliar General	Barbara Bush	Gifted Education	Totals
<b>REVENUES:</b>						
Local sources	\$ 5	\$ -	\$ 10	\$ 17	\$ 53	\$ 32,540
State sources	-	-	15,000	65,000	17,980	649,881
Federal sources	9,068	13,206	-	-	-	302,242
Total revenues	<u>9,073</u>	<u>13,206</u>	<u>15,010</u>	<u>65,017</u>	<u>18,033</u>	<u>984,663</u>
<b>EXPENDITURES:</b>						
Education:						
Salaries	3,562	11,442	14,595	35,738	9,236	708,457
Benefits	636	1,755	-	8,678	1,595	119,190
Purchased services	1,761	9	-	15,468	2,649	225,173
Supplies and materials	3,044	-	405	3,443	4,500	51,296
Other objects	-	-	-	-	-	112
Capital outlay	-	-	-	1,691	-	1,691
Total expenditures	<u>9,003</u>	<u>13,206</u>	<u>15,000</u>	<u>65,018</u>	<u>17,980</u>	<u>1,105,919</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	70	-	10	(1)	53	(121,256)
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>	<u>6</u>	<u>-</u>	<u>12</u>	<u>1</u>	<u>-</u>	<u>199,082</u>
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>	<u>\$ 76</u>	<u>\$ -</u>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 53</u>	<u>\$ 77,826</u>



WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE  
 Year Ended June 30, 2010

	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		
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ 15,588	\$ 15,588	\$ -	\$ -	\$ 2	\$ 2
State sources	100,597	100,597	121,587	20,990	75,263	75,263	46,596	(28,667)
Federal sources	-	-	-	-	-	-	-	-
Total revenues	100,597	100,597	137,175	36,578	75,263	75,263	46,598	(28,665)
<b>EXPENDITURES:</b>								
Education:								
Salaries	82,000	82,000	100,457	(18,457)	51,690	56,460	49,252	7,208
Benefits	11,284	11,284	14,546	(3,262)	9,071	10,071	8,726	1,345
Purchased services	6,713	6,413	14,931	(8,518)	14,002	8,002	8,472	(470)
Supplies and materials	600	600	8,586	(7,986)	500	500	320	180
Other objects	-	300	25	275	-	230	13	217
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	100,597	100,597	138,545	(37,948)	75,263	75,263	66,783	8,480
<b>NET CHANGE IN</b>								
FUND BALANCE (DEFICIT)	\$ -	\$ -	(1,370)	\$ (1,370)	\$ -	\$ -	(20,185)	\$ (20,185)
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>			175,512				1,514	
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>			\$ 174,142				\$ (18,671)	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE  
Year Ended June 30, 2010

	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		
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ 19	\$ 19	\$ -	\$ -	\$ 3	\$ 3
State sources	-	-	-	-	101,009	90,908	60,076	(30,832)
Federal sources	110,000	110,000	90,000	(20,000)	-	-	-	-
Total revenues	110,000	110,000	90,019	(19,981)	101,009	90,908	60,079	(30,829)
<b>EXPENDITURES:</b>								
Education:								
Salaries	55,899	49,931	48,599	1,332	67,925	65,781	63,800	1,981
Benefits	9,648	8,838	8,406	432	11,950	11,590	11,209	381
Purchased services	36,491	36,264	27,853	8,411	9,319	10,116	9,543	573
Supplies and materials	7,962	13,967	5,157	8,810	9,815	3,141	3,113	28
Other objects	-	-	-	-	-	280	17	263
Capital outlay	-	1,000	-	1,000	2,000	-	-	-
Total expenditures	110,000	110,000	90,015	19,985	101,009	90,908	87,682	3,226
<b>NET CHANGE IN</b>								
FUND BALANCE (DEFICIT)	\$ -	\$ -	4	\$ 4	\$ -	\$ -	(27,603)	\$ (27,603)
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR			2,086				1,745	
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR			\$ 2,090				\$ (25,858)	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE  
Year Ended June 30, 2010

	Early Childhood - Block Grant (3-5)				Title I - Reading First Part B SEA Funds			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ 4	\$ 4	\$ -	\$ -	\$ 5	\$ 5
State sources	330,529	297,476	201,056	(96,420)	-	-	-	-
Federal sources	-	-	-	-	5,923	5,923	4,081	(1,842)
Total revenues	330,529	297,476	201,060	(96,416)	5,923	5,923	4,086	(1,837)
<b>EXPENDITURES:</b>								
Education:								
Salaries	212,244	205,132	195,562	9,570	4,067	4,067	3,634	433
Benefits	33,337	32,350	30,753	1,597	337	337	304	33
Purchased services	67,305	46,869	45,050	1,819	153	153	143	10
Supplies and materials	16,893	12,225	9,167	3,058	1,366	1,366	-	1,366
Other objects	-	900	57	843	-	-	-	-
Capital outlay	750	-	-	-	-	-	-	-
Total expenditures	330,529	297,476	280,589	16,887	5,923	5,923	4,081	1,842
<b>NET CHANGE IN</b>								
FUND BALANCE (DEFICIT)	\$ -	\$ -	(79,529)	\$ (79,529)	\$ -	\$ -	5	\$ 5
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR			(582)				42	
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR			\$ (80,111)				\$ 47	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE  
Year Ended June 30, 2010

	Secretary of State Family Literacy Grant				English Language Learners			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ 1	\$ 1	\$ -	\$ -	\$ 1	\$ 1
State sources	29,750	29,750	29,750	-	-	-	-	-
Federal sources	-	-	-	-	2,000	2,000	2,000	-
Total revenues	29,750	29,750	29,751	1	2,000	2,000	2,001	1
<b>EXPENDITURES:</b>								
Education:								
Salaries	22,604	22,604	22,586	18	1,150	1,150	1,290	(140)
Benefits	4,246	4,246	3,953	293	200	200	239	(39)
Purchased services	2,250	2,250	2,563	(313)	650	650	475	175
Supplies and materials	650	650	649	1	-	-	-	-
Other objects	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	29,750	29,750	29,751	(1)	2,000	2,000	2,004	(4)
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>								
	\$ -	\$ -	-	\$ -	\$ -	\$ -	(3)	\$ (3)
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>								
			454				292	
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>								
			\$ 454				\$ 289	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE  
Year Ended June 30, 2010

	McKinney Homeless Grant				Gifted Education			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ 5	\$ 5	\$ -	\$ -	\$ 53	\$ 53
State sources	-	-	-	-	60,026	60,026	17,980	(42,046)
Federal sources	9,000	9,000	9,068	68	-	-	-	-
Total revenues	9,000	9,000	9,073	73	60,026	60,026	18,033	(41,993)
<b>EXPENDITURES:</b>								
Education:								
Salaries	3,850	3,850	3,562	288	21,500	19,900	9,236	10,664
Benefits	400	400	636	(236)	3,980	3,198	1,595	1,603
Purchased services	3,250	3,250	1,761	1,489	25,513	5,238	2,649	2,589
Supplies and materials	1,500	1,500	3,044	(1,544)	9,033	31,690	4,500	27,190
Other objects	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	9,000	9,000	9,003	(3)	60,026	60,026	17,980	42,046
<b>NET CHANGE IN</b>								
FUND BALANCE (DEFICIT)	\$ -	\$ -	70	\$ 70	\$ -	\$ -	53	\$ 53
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR			6				-	
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR			\$ 76				\$ 53	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE  
Year Ended June 30, 2010

	Total			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Local sources	\$ -	\$ -	\$ 15,681	\$ 15,681
State sources	697,174	654,020	477,045	(176,975)
Federal sources	126,923	126,923	105,149	(21,774)
<b>Total revenues</b>	<u>824,097</u>	<u>780,943</u>	<u>597,875</u>	<u>(183,068)</u>
<b>EXPENDITURES:</b>				
Education:				
Salaries	522,929	510,875	497,978	12,897
Benefits	84,453	82,514	80,367	2,147
Purchased services	165,646	119,205	113,440	5,765
Supplies and materials	48,319	65,639	34,536	31,103
Other objects	-	1,710	112	1,598
Capital outlay	2,750	1,000	-	1,000
<b>Total expenditures</b>	<u>824,097</u>	<u>780,943</u>	<u>726,433</u>	<u>54,510</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(128,558)</u>	<u>\$ (128,558)</u>
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>			<u>181,069</u>	
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>			<u>\$ 52,511</u>	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 June 30, 2010

<b>ASSETS</b>	<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>
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ 15,265	\$ 15,265
Due from other funds	<u>18,187</u>	<u>5,699</u>	<u>484</u>	<u>934</u>	<u>-</u>	<u>25,304</u>
<b>TOTAL ASSETS</b>	<u>\$ 18,187</u>	<u>\$ 5,699</u>	<u>\$ 484</u>	<u>\$ 934</u>	<u>\$ 15,265</u>	<u>\$ 40,569</u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 620	\$ -	\$ -	\$ -	\$ -	\$ 620
Due to other funds	-	-	-	-	14,590	14,590
Deferred revenue	-	-	-	-	10,795	10,795
Note payable	-	-	-	-	1,811	1,811
Total liabilities	<u>620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,196</u>	<u>27,816</u>
<b>FUND BALANCE (DEFICIT)</b>						
Unreserved	<u>17,567</u>	<u>5,699</u>	<u>484</u>	<u>934</u>	<u>(11,931)</u>	<u>12,753</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<u>\$ 18,187</u>	<u>\$ 5,699</u>	<u>\$ 484</u>	<u>\$ 934</u>	<u>\$ 15,265</u>	<u>\$ 40,569</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, 2010

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>
<b>REVENUES:</b>						
Local sources	\$ 9,849	\$ 14	\$ 5	\$ 2	\$ 4,470	\$ 14,340
State sources	-	1,224	1,000	-	-	2,224
Total revenues	<u>9,849</u>	<u>1,238</u>	<u>1,005</u>	<u>2</u>	<u>4,470</u>	<u>16,564</u>
<b>EXPENDITURES:</b>						
Education:						
Salaries	-	-	-	-	12,799	12,799
Benefits	-	-	-	-	2,100	2,100
Purchased services	2,887	748	658	-	186	4,479
Supplies and materials	2,979	-	83	-	-	3,062
Other objects	-	-	474	-	-	474
Total expenditures	<u>5,866</u>	<u>748</u>	<u>1,215</u>	<u>-</u>	<u>15,085</u>	<u>22,914</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	3,983	490	(210)	2	(10,615)	(6,350)
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>	<u>13,584</u>	<u>5,209</u>	<u>694</u>	<u>932</u>	<u>(1,316)</u>	<u>19,103</u>
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>	<u>\$ 17,567</u>	<u>\$ 5,699</u>	<u>\$ 484</u>	<u>\$ 934</u>	<u>\$ (11,931)</u>	<u>\$ 12,753</u>



WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
 COMBINING STATEMENT OF NET ASSETS  
 NONMAJOR PROPRIETARY FUNDS  
 June 30, 2010

	<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>
<b>ASSETS</b>								
Due from other governments	\$ -	\$ -	\$ -	\$ 530	\$ -	\$ -	\$ -	\$ 530
Due from other funds	20,309	5,807	33	-	7,867	4,569	425	39,010
<b>TOTAL ASSETS</b>	<u>20,309</u>	<u>5,807</u>	<u>33</u>	<u>530</u>	<u>7,867</u>	<u>4,569</u>	<u>425</u>	<u>39,540</u>
<b>LIABILITIES</b>								
Accounts payable	-	-	-	-	-	-	19	19
Due to other funds	12	-	11	27,435	-	409	5	27,872
Total liabilities	<u>12</u>	<u>-</u>	<u>11</u>	<u>27,435</u>	<u>-</u>	<u>409</u>	<u>24</u>	<u>27,891</u>
<b>NET ASSETS</b>								
Unrestricted	<u>\$ 20,297</u>	<u>\$ 5,807</u>	<u>\$ 22</u>	<u>\$ (26,905)</u>	<u>\$ 7,867</u>	<u>\$ 4,160</u>	<u>\$ 401</u>	<u>\$ 11,649</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, 2010**

	<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>
<b>OPERATING REVENUES:</b>								
Local sources	\$ 8,925	\$ -	\$ -	\$ 15,603	\$ 2,500	\$ 2,713	\$ 1	\$ 29,742
<b>OPERATING EXPENSES:</b>								
Salaries	1,578	-	1,417	1,267	-	-	886	5,148
Benefits	263	-	108	97	-	-	68	536
Purchased services	4,457	-	52	15,453	-	2,844	147	22,953
Supplies and materials	330	-	-	1,592	-	386	-	2,308
Total operating expenses	<u>6,628</u>	<u>-</u>	<u>1,577</u>	<u>18,409</u>	<u>-</u>	<u>3,230</u>	<u>1,101</u>	<u>30,945</u>
<b>OPERATING INCOME (LOSS)</b>	2,297	-	(1,577)	(2,806)	2,500	(517)	(1,100)	(1,203)
<b>NONOPERATING REVENUES</b>								
Interest revenue	<u>59</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>7</u>	<u>1</u>	<u>91</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	2,356	15	(1,577)	(2,806)	2,509	(510)	(1,099)	(1,112)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<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>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 20,297</u>	<u>\$ 5,807</u>	<u>\$ 22</u>	<u>\$ (26,905)</u>	<u>\$ 7,867</u>	<u>\$ 4,160</u>	<u>\$ 401</u>	<u>\$ 11,649</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR PROPRIETARY FUNDS  
 Year Ended June 30, 2010

	<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>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>								
Receipts for workshops and services	\$ 8,925	\$ -	\$ -	\$ 15,073	\$ 2,500	\$ 2,713	\$ 1	\$ 29,212
Payments to suppliers and providers of goods and services	(4,787)	-	(52)	(17,459)	-	(3,230)	(128)	(25,656)
Payments to employees	(1,841)	-	(1,525)	(1,364)	-	-	(954)	(5,684)
Net cash provided by (used in) operating activities	<u>2,297</u>	<u>-</u>	<u>(1,577)</u>	<u>(3,750)</u>	<u>2,500</u>	<u>(517)</u>	<u>(1,081)</u>	<u>(2,128)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>								
Interfund loans	(20,297)	(5,807)	(22)	21,907	(7,867)	(4,569)	(420)	(17,075)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>								
Interest	<u>59</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>7</u>	<u>1</u>	<u>91</u>
<b>NET INCREASE (DECREASE) IN</b>								
<b>CASH (OVERDRAFTS) AND CASH EQUIVALENTS</b>	(17,941)	(5,792)	(1,599)	18,157	(5,358)	(5,079)	(1,500)	(19,112)
<b>CASH (OVERDRAFTS) AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<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>
<b>CASH (OVERDRAFTS) AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>								
Operating income (loss)	\$ 2,297	\$ -	\$ (1,577)	\$ (2,806)	\$ 2,500	\$ (517)	\$ (1,100)	\$ (1,203)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Effects of changes in assets and liabilities:								
Increase in due from other governments	-	-	-	(530)	-	-	-	(530)
Decrease in accounts payable	-	-	-	(414)	-	-	19	(395)
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 2,297</u>	<u>\$ -</u>	<u>\$ (1,577)</u>	<u>\$ (3,750)</u>	<u>\$ 2,500</u>	<u>\$ (517)</u>	<u>\$ (1,081)</u>	<u>\$ (2,128)</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
June 30, 2010

	<u>Distributive Fund</u>	<u>Payroll Fund</u>	<u>Public Aid Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash (overdrafts) and cash equivalents	\$ 780	\$ (11,995)	\$ 416	\$ (10,799)
Due from other governments	<u>664,666</u>	<u>-</u>	<u>-</u>	<u>664,666</u>
<b>TOTAL ASSETS</b>	<u>\$ 665,446</u>	<u>\$ (11,995)</u>	<u>\$ 416</u>	<u>\$ 653,867</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 665,446</u>	<u>\$ (11,995)</u>	<u>\$ 416</u>	<u>\$ 653,867</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55  
 COMBINING STATEMENT OF CHANGES IN  
 ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 Year Ended June 30, 2010

	<u>Balance,</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>June 30, 2010</u>
<b>DISTRIBUTIVE FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 750	\$ 4,474,237	\$ 4,474,207	\$ 780
Due from other governments	-	664,666	-	664,666
<b>TOTAL ASSETS</b>	<u>\$ 750</u>	<u>\$ 5,138,903</u>	<u>\$ 4,474,207</u>	<u>\$ 665,446</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 750</u>	<u>\$ 664,696</u>	<u>\$ -</u>	<u>\$ 665,446</u>
 <b>PAYROLL FUND</b>				
<b>ASSETS</b>				
Cash (overdrafts) and cash equivalents	<u>\$ (11,997)</u>	<u>\$ 628,070</u>	<u>\$ 628,068</u>	<u>\$ (11,995)</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ (11,997)</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ (11,995)</u>
 <b>PUBLIC AID FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 415</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 416</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 415</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 416</u>
 <b>TOTAL ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash (overdrafts) and cash equivalents	\$ (10,832)	\$ 5,102,308	\$ 5,102,275	\$ (10,799)
Due from other governments	-	664,666	-	664,666
<b>TOTAL ASSETS</b>	<u>\$ (10,832)</u>	<u>\$ 5,766,974</u>	<u>\$ 5,102,275</u>	<u>\$ 653,867</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ (10,832)</u>	<u>\$ 664,699</u>	<u>\$ -</u>	<u>\$ 653,867</u>

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT**  
**TREASURERS AND OTHER ENTITIES**  
**DISTRIBUTIVE FUND**  
**Year Ended June 30, 2010**

	Regional Superintendent of Schools	Bi-County Special Education Coop	Totals
Early Childhood Block Grant	\$ 198,062	\$ -	\$ 198,062
Even Start	104,407	-	104,407
Regional Safe Schools	42,940	-	42,940
Truants Alternative/Optional Education	32,264	-	32,264
ROE/ISC Operations	22,489	-	22,489
General State Aid	59,426	-	59,426
Title I - Reading First Part B SEA Funds	5,923	-	5,923
National Lunch	2,621	10,611	13,232
Supervisory	1,000	-	1,000
School Bus Driver Training	596	-	596
School Breakfast	1,643	-	1,643
State Free Lunch & Breakfast	211	473	684
English Language Learners	2,000	-	2,000
ARRA	13,206	-	13,206
Special Education IDEA	-	2,437,246	2,437,246
Special Education Personnel	-	331,013	331,013
Special Education Preschool	-	100,323	100,323
ARRA Special Education IDEA	-	1,055,663	1,055,663
ARRA Special Education Preschool	-	52,090	52,090
	<u>\$ 486,788</u>	<u>\$ 3,987,419</u>	<u>\$ 4,474,207</u>

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2010

Federal Grantor/Pass- Through Grantor, Program or Cluster Title	CFDA Number	Project Number (1st 8 digits) or Contract #	Federal Expenditures June 30, 2010
U.S. Department of Education passed through Illinois State Board of Education:			
Evenstart Family Literacy	84.213C	10-4335-00	\$ <u>90,000</u>
Title I - Reading First Part B SEA Funds	84.357A	10-4337-00	<u>4,081</u>
English Language Learners	84.365A	10-4999-PD	<u>2,000</u>
State Fiscal Stabilization Funds (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)	84.394A	10-4850-93	9,904
State Fiscal Stabilization Funds (SFSF) - Government Services, Recovery Act (Education Stabilization Fund)	84.397A	10-4870-93	<u>3,302</u>
State Fiscal Stabilization Cluster			<u>13,206</u>
Total U.S. Department of Education passed through Illinois State Board of Education			<u>109,287</u>
U.S. Department of Education passed through Lee/Ogle Counties Regional Office of Education No. 47			
McKinney Homeless Grant	84.196A	10-4920-00	<u>9,003</u>
U.S. Department of Agriculture passed through Illinois State Board of Education:			
National School Lunch Program	10.555	10-4210-00	2,436
School Breakfast Program	10.553	10-4220-00	<u>1,381</u>
Total U.S. Department of Agriculture			<u>3,817</u>
U.S. Department of Labor passed through Northwest Illinois Workforce Partnership:			
(M) Education Outreach Program	17.259	PY08/09-68104-03Y	<u>179,623</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ <u>301,730</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, 2010**

**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.