

**State of Illinois**  
**CLINTON, MARION, AND WASHINGTON COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #13**  
**FINANCIAL AUDIT**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**Performed as Special Assistant Auditors**  
**for the Auditor General, State of Illinois**

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
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JUNE 30, 2009

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OFFICIALS

REGIONAL OFFICE OF EDUCATION #13

Regional Superintendent  
(Current and during the audit period)

Ms. Keri Garrett

Assistant Regional Superintendent  
(Current and during the audit period)

Mr. Brian P. Guthrie

Offices are located at:

Clinton County Office  
930-B Fairfax  
Carlyle, IL 62231-1811

Marion County Office  
Public Services Building  
200 E. Schwartz  
Salem, IL 62881

Washington County Office  
1180 W. St. Louis St.  
Nashville, IL 62263

REGIONAL OFFICE OF EDUCATION #13

FINANCIAL REPORT SUMMARY

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

AUDITORS' REPORTS

The auditors' reports 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	1
Prior recommendations implemented or not repeated	0	1

SUMMARY OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
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*FINDINGS (GOVERNMENT AUDITING STANDARDS)*

09-01	10a	Controls Over Financial Statement Preparation	Significant Deficiency
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*FINDINGS (FEDERAL COMPLIANCE)*

NONE

*PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)*

NONE

REGIONAL OFFICE OF EDUCATION #13

FINANCIAL REPORT SUMMARY (Concluded)

*EXIT CONFERENCE*

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on August 6, 2009. Attending were Keri Garrett, Regional Superintendent, Mary Ellen Hughes, Controller, Bruce Weisman, CPA, Staff Accountant, Kemper CPA Group LLP, and Tami Knight, CPA, Partner, Kemper CPA Group LLP. Responses to the recommendations were provided by Keri Garrett, Regional Superintendent, on October 30, 2009.

## FINANCIAL STATEMENT REPORT

### SUMMARY

The audit of the accompanying basic financial statements of the Clinton, Marion, and Washington Counties Regional Office of Education #13 was performed by Kemper CPA Group LLP, CPAs.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #13's basic financial statements.

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clinton, Marion, and Washington Counties Regional Office of Education #13, as of and for the year ended June 30, 2009, which collectively comprise the Regional Office of Education #13's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office Education #13's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #13, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 12, 2010 on our consideration of the Regional Office of Education #13'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 13a through 13k and 45 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clinton, Marion, and Washington Counties Regional Office of Education #13's basic financial statements. The combining and individual nonmajor fund financial statements, Schedule of Disbursements to School District Treasurer's and Other Entities, and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, Schedule of Disbursements to School District Treasurer's and Other Entities, and budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Kemper CPA Group LLP*

*Certified Public Accountants and Consultants*

Mattoon, Illinois  
January 12, 2010



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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #13, as of and for the year ended June 30, 2009, which collectively comprise the Regional Office of Education #13's basic financial statements and have issued our report thereon dated January 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Regional Office of Education #13'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 and not for the purpose of expressing an opinion on the effectiveness of the Regional Office of Education #13's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #13'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 the 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 a deficiency in internal control over financial reporting, described in finding 09-01 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 a 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 Regional Office of Education #13'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 #13'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 #13'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.

*Kemper CPA Group LLP*

*Certified Public Accountants  
and Consultants*

Mattoon, Illinois  
January 12, 2010

CLINTON, MARION AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2009

**SECTION 1 - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes
- Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? N/A
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? N/A

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)? N/A

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
N/A	N/A

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

Auditee qualified as a low-risk auditee? N/A

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding No. 09-01 – Controls Over Financial Statement Preparation (Repeated from Finding 08-01 & 07-02)**

**Criteria/specific requirement:**

The Regional Office of Education #13 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 #13 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles.
- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenues, no entries were provided to reconcile the ROE's grant activity, such as posting grant receivables and deferred revenues.

**Effect:**

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

**Cause:**

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION II – FINANCIAL STATEMENT FINDINGS (Concluded)**

**Finding No. 09-01 – Controls Over Financial Statement Preparation (Repeated from Finding 08-01 & 07-02) (Concluded)**

**Auditors Recommendation:**

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #13 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 #13 understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Regional Office accepts the degree of risk associated with this condition because the added expense of seeking additional accounting expertise to prepare and/or review financial statements would take away from the funds available to provide educational services for the schools in the region.

In an attempt to correct this finding, the Regional Office sent the Controller to various trainings to better understand accrual accounting and reporting under generally accepted accounting principles (GAAP).

CLINTON, MARION AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS  
JUNE 30, 2009

**Corrective Action Plan**

**Finding No. 09-01 - Controls Over Financial Statement Preparation**

**Condition:**

The Regional Office of Education #13 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles.
- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenues, no entries were provided to reconcile the ROE's grant activity, such as posting grant receivables and deferred revenues.

**Plan:**

The Regional Office of Education #13 accepts the degree of risk associated with this condition because the added expense of seeking additional accounting expertise to prepare and/or review financial statements would take away from the funds available to provide educational services for the schools in the region.

The Regional Office will continue to send the Controller to various trainings to assist her in gaining a better understanding of accrual accounting and reporting under generally accepted accounting principles (GAAP).

**Anticipated Date of Completion:**

Not applicable.

**Name of Contact Person:**

Ms. Keri Garrett, Regional Superintendent

CLINTON, MARION AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2009

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
08-01	Controls Over Financial Statement Preparation	Repeated

## MANAGEMENT'S DISCUSSION AND ANALYSIS

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009

Regional Office of Education #13 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2009. We encourage readers to consider this information in conjunction with the Regional Office of Education #13's financial statements, which follow.

### **2009 FINANCIAL HIGHLIGHTS**

- General Fund revenues increased from \$556,938 in fiscal year 2008 to \$592,673 in fiscal year 2009, and General Fund expenditures also increased from \$562,509 in fiscal year 2008 to \$617,578 in fiscal year 2009. Other funding sources were used to cover expenses and thus resulted in a smaller decrease in the Regional Office of Education #13's General Fund balance from \$52,224 in fiscal year 2008 to \$30,436 in fiscal year 2009.
- The increase in General Fund revenues was attributed primarily to an increase in the local and State on-behalf sources of revenue in fiscal year 2009, and an increase in related expenditures. The Regional Office of Education #13 again funded a portion of the current year General Fund services from the carry over fund balance in the General Fund.
- Education Fund revenues decreased from \$2,183,222 in fiscal year 2008 to \$2,058,532 in fiscal year 2009, and Education Fund expenditures decreased from \$2,331,846 in fiscal year 2008 to \$2,190,296 in fiscal year 2009. Interest revenue decreased from \$37,305 in fiscal year 2008 to \$19,335 in fiscal year 2009. The result was a decrease in the Education Fund balance from \$995,085 in fiscal year 2008 to \$882,656 in fiscal year 2009.
- The decrease in Education Fund revenues was attributed to a decrease in State sources of revenue in fiscal year 2009.

### **USING THIS ANNUAL REPORT**

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

- The Regional Office of Education #13's Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office of Education #13'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 Regional Office of Education #13 as a whole and present an overall view of the Regional Office of Education #13's finances.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009

**USING THIS ANNUAL REPORT (Concluded)**

- The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Regional Office of Education #13's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- The supplementary information further explains and supports the financial statements with a comparison of the Regional Office of Education #13's budget for the year and supplementary information also provides detailed information about the non-major funds.

**REPORTING THE REGIONAL OFFICE OF EDUCATION #13 AS A WHOLE**

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

The government-wide statements report information about the Regional Office of Education #13 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all the Regional Office of Education #13's assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the Regional Office of Education #13's net assets and how they have changed. Net assets – the difference between the Regional Office of Education #13's assets and liabilities – are one way to measure the Regional Office of Education #13's financial health or position.

- Over time, increases or decreases in the Regional Office of Education #13's net assets are an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Regional Office of Education #13's overall health, additional non-financial factors, need to be considered.

In the government-wide financial statements, the Regional Office of Education #13's activities are divided into two categories:

- *Governmental activities:* Most of the Regional Office of Education #13's basic services are included here, such as regular and special education instruction, student and instructional staff support services and administration. State and federal grants, local school districts, and state aid finance most of these activities.
- *Business-type activities:* The Regional Office of Education #13 charges fees to help cover the costs of certain services it provides to school districts in the region.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009

**REPORTING THE REGIONAL OFFICE OF EDUCATION #13 AS A WHOLE (Concluded)**

**Fund Financial Statements**

The fund financial statements provide detailed information about the Regional Office of Education #13's funds, focusing on its most significant or "major" funds – not the Regional Office of Education #13 as a whole. Funds are accounting devices the Regional Office of Education #13 uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law. The Regional Office of Education #13 establishes other funds to control and manage money for particular purposes.

The Regional Office of Education #13 has three kinds of funds:

- Governmental funds account for most of the Regional Office of Education #13's basic services. These focus on how cash and other financial assets that can readily be converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Regional Office of Education #13's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliation between the government-wide statements and the governmental fund statements follow each of the related governmental statement. The Regional Office of Education #13's governmental funds include the General Fund and the Special Revenue Funds. The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.
- Proprietary funds account for services for which the Regional Office of Education #13 charges fees under a cost-reimbursement method. The proprietary fund's required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Fund Net Assets, and a Statement of Cash Flows.
- Fiduciary funds account for assets that belong to others over which the Regional Office of Education #13 is the trustee, or fiduciary. The Regional Office of Education #13 is responsible for ensuring that the assets reported in these funds are used only for their intended purpose and by those to whom the assets belong. The Regional Office of Education #13 excludes these assets from the government-wide financial statements because it cannot use these assets to finance its operations.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of financial position. The Regional Office of Education #13's net assets at the end of fiscal year 2009 totaled approximately \$1.29 million. This compared to approximately \$1.51 million at the end of fiscal year 2008. The analysis that follows provides a summary of the Regional Office of Education #13's net assets at June 30, 2009 for the governmental and business-type activities.

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2009

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

CONDENSED STATEMENT OF NET ASSETS  
 GOVERNMENTAL ACTIVITIES

	2009	2008	Increase / (Decrease)
Current Assets	\$ 1,185,086	\$ 1,334,714	(149,628)
Capital Assets, being depreciated, net	24,395	26,199	(1,804)
Total Assets	1,209,481	1,360,913	(151,432)
Current Liabilities	171,343	156,615	14,728
Net Assets:			
Invested in Capital Assets	24,395	26,199	(1,804)
Unrestricted	930,983	1,071,100	(140,117)
Restricted for teacher professional development	82,760	106,999	(24,239)
Total Net Assets	\$ 1,038,138	\$ 1,204,298	(166,160)

The Regional Office of Education #13's combined governmental net assets decreased \$166,160 from fiscal year 2008 and the current assets decreased \$149,628. Net assets related to the Institute Fund are restricted for teacher professional development.

BUSINESS-TYPE ACTIVITIES

	2009	2008	Increase / (Decrease)
Current Assets	\$ 225,748	\$ 290,280	(64,532)
Capital Assets, being depreciated, net	31,079	42,222	(11,143)
Total Assets	256,827	332,502	(75,675)
Current Liabilities	4,475	27,698	(23,223)
Net Assets:			
Invested in Capital Assets	31,079	42,222	(11,143)
Unrestricted	221,273	262,582	(41,309)
Total Net Assets	\$ 252,352	\$ 304,804	(52,452)

The Regional Office of Education #13's business-type activities net assets decreased \$52,452 from fiscal year 2008 and the current assets decreased \$64,532.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

STATEMENT OF ACTIVITIES

GOVERNMENTAL ACTIVITIES

	<u>2009</u>	<u>2008</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program Revenues:			
Operating grants and contributions	\$ 1,712,257	\$ 1,890,629	(178,372)
General revenues:			
Local sources	254,604	321,982	(67,378)
State sources	182,344	117,062	65,282
Federal sources	53,925	-	53,925
On-behalf payments - State & Local	482,063	445,155	36,908
Interest income	24,865	67,674	(42,809)
Total Revenues	<u>2,710,058</u>	<u>2,842,502</u>	(132,444)
Expenses:			
Instructional Services			
Salaries and benefits	1,864,723	1,873,308	(8,585)
Purchased Services	411,492	433,664	(22,172)
Supplies and materials	81,243	142,022	(60,779)
Other objects	28,808	33,469	(4,661)
Depreciation expense	8,539	13,497	(4,958)
Administrative Expense:			
On-behalf payments - State & Local	481,413	445,155	36,258
Total Expenses	<u>2,876,218</u>	<u>2,941,115</u>	(64,897)
Change in Net Assets	(166,160)	(98,613)	(67,547)
Net Assets - Beginning	<u>1,204,298</u>	<u>1,302,911</u>	(98,613)
Net Assets - Ending	<u>\$ 1,038,138</u>	<u>\$ 1,204,298</u>	(166,160)

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2009

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concluded)**

Operating grants and contributions decreased \$178,372 from fiscal year 2008 to 2009. The funding for several major grants (Even Start/Early Childhood Block Grant, Truant Alternative/Optional Education, Regional Safe Schools, Special Education for Infants and Families with Disabilities) was delayed, causing the ROE to fund these programs from surplus funds, and resulting in less interest revenue.

STATEMENT OF ACTIVITIES

BUSINESS-TYPE ACTIVITIES

	<u>2009</u>	<u>2008</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program Revenues:			
Charges for services	\$ 159,582	\$ 139,021	20,561
General Revenue:			
Interest income	<u>4,697</u>	<u>10,148</u>	(5,451)
Total Revenues	<u>164,279</u>	<u>149,169</u>	15,110
Expenses:			
Salaries and benefits	124,660	110,325	14,335
Purchased services	45,095	25,940	19,155
Supplies and materials	34,242	16,171	18,071
Other objects	-	353	(353)
Depreciation	<u>12,734</u>	<u>12,333</u>	401
Total Expenses	<u>216,731</u>	<u>165,122</u>	51,609
Change in Net Assets	(52,452)	(15,953)	(36,499)
Net Assets - Beginning	<u>304,804</u>	<u>320,757</u>	(15,953)
Net Assets - Ending	<u>\$ 252,352</u>	<u>\$ 304,804</u>	(52,452)

The increase in charges for service revenue is due to an increase in the number of workshops, testing and other services provided to school districts in the region.

**FINANCIAL ANALYSIS OF THE REGIONAL OFFICE OF EDUCATION FUNDS**

As previously noted, Regional Office of Education #13 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009

**FINANCIAL ANALYSIS OF THE REGIONAL OFFICE OF EDUCATION FUNDS (Continued)**

The Regional Office of Education #13's governmental fund reported combined fund balances of \$1,013,743 compared with fiscal year 2008's ending fund balances of \$1,178,099. The Regional Office of Education #13 received less interest income in fiscal year 2009 than fiscal year 2008 due to the decrease in the cash surplus and decreased interest rates. Most funds have either decreased or stayed constant. The constant funds do not take into account inflation, which results in a further decrease in fund balance. There have been no reductions in responsibilities or services, rather they have increased.

**Governmental Fund Highlights**

The Regional Office of Education #13's General Fund financial position is the product of many factors, including the increase in the cost of services provided to local schools and the fluctuation in the amount of funds received from State and federal sources from year to year while responsibilities remain the same or increase. Increased costs to deliver services are a continuing drain on the Regional Office of Education #13 financial resources.

The following is a summary of the Regional Office of Education #13's activities:

The Regional Office of Education #13 continues to offer technical assistance and professional development activities to teachers across the complete curriculum area. We have at least 1,400 teachers who have received professional development to improve their basic knowledge and/or their teaching pedagogy. We operate a Pre-Kindergarten program with thirteen sites throughout our three counties, serving approximately 284 at-risk students. We also have two schools for students who have experienced serious difficulties in the public schools. Our Truant Alternative School serves approximately 30 students each year and works with approximately 200 students to ameliorate their truancy problems. We operate a Safe School that serves approximately 50 students each year with an individually based educational program. The Safe School students are students who have been referred because of serious behavior problems within the sending school. We also offer teacher certificate assistance, and help teachers completing re-certification requirements and acquiring additional certificate endorsements. There are a variety of other regulatory programs that are statute based that require inspection of the schools for nearly all areas, as well as inspections for building safety. A General Education Diploma is offered through our cooperative effort with Kaskaskia College, which includes testing to meet high school equivalency. We are responsible for professional development activities to maintain certification by our school administrators through the administrator academy. In summary, we also have a variety of smaller programs that would be classified as consultative services directly to the schools.

Further, we assist parents and other patrons on a daily basis as they call for information and/or other questions or problems with their children. We offer guidance services to parents as well as serving as a liaison or arbitrator between parents and schools. We answer questions regarding bus service, grade problems, and even sports issues. We estimate that we have approximately ten calls or personal visits from parents each day.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009

**FINANCIAL ANALYSIS OF THE REGIONAL OFFICE OF EDUCATION FUNDS (Concluded)**

**Proprietary Fund Highlights**

The Regional Office of Education's major proprietary fund is testing and technology service. The testing service allows schools to receive their testing results back within approximately one week in order that they may use those results to direct their curriculum activities. The technology coop service gives direct assistance to staff in the schools to maintain and upgrade their technology efforts. This includes a strong emphasis on utilizing technology in the classroom as a teaching tool for students. The Regional Office of Education #13 also has a film cooperative program that purchases film and video materials for instructional use by schools in the region.

**FIDUCIARY FUND TYPE**

The Regional Office of Education #13's agency funds are used to account for assets held by the Regional Office of Education #13 in trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Distributive Fund is the Regional Office of Education #13's only agency fund.

Interest on Distributive Fund – The Regional Office of Education #13 has agreements with all districts in the region whereby the Regional Office of Education #13 is allowed to keep the interest for expenditures benefiting all districts.

**MEASUREMENT FOCUS**

The fund financial statements of all Governmental Funds focus on the measurement of spending or "financial flow" and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

In applying the susceptible to accrual concepts to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #13; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditures and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009

**MEASUREMENT FOCUS (Concluded)**

The fund financial statements of the Proprietary Funds 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 the related cash flows.

**BUDGETARY HIGHLIGHTS**

The Regional Office of Education #13 Advisory Board approves an education plan. Although the budget document presents functional disbursements by fund, the legal level of control is at the total expenditure level, not at the fund or fund type level. The State Board reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the State Board for final approval. The budget may be amended during the year utilizing procedures prescribed by the State Board. Over the course of the year, the Regional Office of Education #13 amended its annual operating budget several times to reflect additional revenue and expenditures associated with the additional services needed and provided to the local school districts. The Regional Office of Education #13 has a three-county budget for administrative purposes. Each county contributes financially to the Regional Office of Education #13 based upon the county's population. The total funds furnished by all three counties were approximately \$148,000.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Regional Office of Education #13 does not invest in land or buildings. All other equipment remains owned by the State. Items purchased costing over \$500 are listed on the Regional Office of Education #13's inventory. At June 30, 2009 the Regional Office of Education #13 had an investment in capital assets of \$55,474 which is the original cost of the assets less the accumulated depreciation.

During fiscal year 2009 the Regional Office of Education #13 made purchases costing \$6,735 in governmental activities and \$1,591 in business-type activities. Miscellaneous outdated equipment and furniture were discarded.

**Debt**

The Regional Office of Education #13 incurs no debt. All bills are paid by the end of the fiscal year.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009

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

At the time these financial statements were prepared and audited, the Regional Office of Education #13 was aware of existing circumstances that could significantly affect its financial health in the future.

- The Regional Office of Education #13 has experienced an increase in the number of students being served by its programs in the past few years. A slight increase in enrollments is expected and included in the budget based on request from local school districts.
- The Regional Office of Education #13 provides programs and services in compliance with statutory, regulatory and mandated requirements from the legislation and the Illinois State Board of Education despite a level of funding from the State that does not keep pace with the increasing cost of providing such programs and services. Consequently, the Regional Office of Education #13 is forced to maintain a limited professional and clerical staff while trying to provide a consistent level of support and services to schools. Additional services are provided when funding allows or when cost-recovery mechanisms can be associated with the services.
- A limited number of federal and State grant programs help support the Regional Office of Education #13's programs. Funding from these grant programs are not assured from year to year. Because of limited availability of funds to other agencies and organizations, there is increased competition for funded grant programs due in part to a reduction in the amount of grant funding available and the similar financial circumstances all entities are experiencing. The future of the Regional Office of Education #13 (and the programs and services they provide) is directly dependent on their abilities to compete for grant funding.

**ADDITIONAL INFORMATION**

The following information is furnished to further explain the Regional Office of Education #13 financial analysis and planning:

The Management's Discussion and Analysis for the year ended June 30, 2009 is a continual and ongoing review of the financial statements, accounting and reporting of capital assets and internal funds. This review has the objective to accomplish several things. Namely, where have we spent our funds, the relationship of those expenditures to the budget, an analysis of our remaining funds to complete our mission, and a cross-check to balance the various funds. This analysis includes ensuring that the proper documentation, authorization, and expenditures are complete and tied directly to our budget line items.

Our management team utilizes the discussion and analysis to determine what changes may need to be made in the budget relative to our expenditures in meeting our objectives. We have determined that some objectives may have to be scaled back due to reduced funding from State and federal sources. Our analysis has revealed that State funding projections do not always meet expectations. For example, several programs have received substantial reductions at the very last minute even though projected information from the State indicated a higher level of funding.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009

**ADDITIONAL INFORMATION (Concluded)**

Improved financial planning to meet objectives could occur if the State and federal sources gave more accurate projections. The maintaining and hiring of staff could be improved if more accurate funding information was available. A major part of the goals, responsibilities, and activities are determined by either legislation or direction from the Illinois State Board of Education. Funding from those sources generally does not meet the expected mandates.

Our planning and analysis based on this current year and previous years indicate that we will continue to receive less funding. We will plan accordingly and prioritize those goals and responsibilities. In summary, the Management's Discussion and Analysis is a very helpful and necessary tool to assist the Regional Office of Education #13 in meeting its responsibilities.

**CONTACTING THE REGIONAL OFFICE OF EDUCATION #13'S FINANCIAL  
MANAGEMENT**

This financial report is designed to provide the Regional Office of Education #13's citizens, taxpayers, customers, and creditors with a general overview of the Regional Office of Education #13's finances and to demonstrate the Regional Office of Education #13's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Regional Office of Education #13, 200 East Schwartz Street, Salem, IL 62881.

## BASIC FINANCIAL STATEMENTS

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
STATEMENT OF NET ASSETS  
JUNE 30, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 741,400	\$ 218,729	\$ 960,129
Prepaid assets	-	7,019	7,019
<b>Due from other governments:</b>			
Local	2,335	-	2,335
State	382,736	-	382,736
Federal	58,615	-	58,615
<b>Total Current Assets</b>	<u>1,185,086</u>	<u>225,748</u>	<u>1,410,834</u>
<b>Noncurrent Assets:</b>			
Capital assets, being depreciated, net	24,395	31,079	55,474
<b>TOTAL ASSETS</b>	<u>1,209,481</u>	<u>256,827</u>	<u>1,466,308</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable	158,095	4,475	162,570
<b>Due to other governments:</b>			
Federal	4,715	-	4,715
Deferred revenue	8,533	-	8,533
<b>TOTAL LIABILITIES</b>	<u>171,343</u>	<u>4,475</u>	<u>175,818</u>
<b>NET ASSETS</b>			
Invested in capital assets	24,395	31,079	55,474
Restricted for teacher professional development	82,760	-	82,760
Unrestricted	930,983	221,273	1,152,256
<b>TOTAL NET ASSETS</b>	<u>\$ 1,038,138</u>	<u>\$ 252,352</u>	<u>\$ 1,290,490</u>

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
Instructional services:						
Salaries and benefits	\$ 1,864,723	\$ -	\$ 1,356,093	\$ (508,630)	\$ -	\$ (508,630)
Purchased services	411,492	-	284,629	(126,863)	-	(126,863)
Supplies and materials	81,243	-	39,448	(41,795)	-	(41,795)
Other objects	28,808	-	25,352	(3,456)	-	(3,456)
Depreciation	8,539	-	-	(8,539)	-	(8,539)
Capital outlay	-	-	6,735	6,735	-	6,735
Administrative:						
On-behalf payments - Local	147,359	-	-	(147,359)	-	(147,359)
On-behalf payments - State	334,054	-	-	(334,054)	-	(334,054)
Total governmental activities	<u>2,876,218</u>	<u>-</u>	<u>1,712,257</u>	<u>(1,163,961)</u>	<u>-</u>	<u>(1,163,961)</u>
Business-type activities:						
Operating	<u>216,731</u>	<u>159,582</u>	<u>-</u>	<u>-</u>	<u>(57,149)</u>	<u>(57,149)</u>
Total business-type activities	<u>216,731</u>	<u>159,582</u>	<u>-</u>	<u>-</u>	<u>(57,149)</u>	<u>(57,149)</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b><u>\$ 3,092,949</u></b>	<b><u>\$ 159,582</u></b>	<b><u>\$ 1,712,257</u></b>	<b><u>(1,163,961)</u></b>	<b><u>(57,149)</u></b>	<b><u>(1,221,110)</u></b>
<b>GENERAL REVENUES</b>						
Local sources				254,604	-	254,604
State sources				182,344	-	182,344
Federal sources				53,925	-	53,925
On-behalf payments - State				334,054	-	334,054
On-behalf payments - Local				148,009	-	148,009
Interest income				24,865	4,697	29,562
Total general revenues				<u>997,801</u>	<u>4,697</u>	<u>1,002,498</u>
CHANGE IN NET ASSETS				(166,160)	(52,452)	(218,612)
NET ASSETS - BEGINNING				1,204,298	304,804	1,509,102
NET ASSETS - ENDING				<u>\$ 1,038,138</u>	<u>\$ 252,352</u>	<u>\$ 1,290,490</u>

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2009

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 30,436	\$ 610,313	\$ 100,651	\$ -	\$ 741,400
Due from other funds	-	220,420	-	(220,420)	-
Due from other governments:					
Local	-	2,335	-	-	2,335
State	34,886	347,850	-	-	382,736
Federal	-	58,615	-	-	58,615
<b>TOTAL ASSETS</b>	<b>\$ 65,322</b>	<b>\$ 1,239,533</b>	<b>\$ 100,651</b>	<b>\$ (220,420)</b>	<b>\$ 1,185,086</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 390	\$ 157,705	\$ -	\$ -	\$ 158,095
Due to other funds	34,496	185,924	-	(220,420)	-
Due to other governments:					
Federal	-	4,715	-	-	4,715
Deferred revenue	-	8,533	-	-	8,533
<b>Total Liabilities</b>	<b>34,886</b>	<b>356,877</b>	<b>-</b>	<b>(220,420)</b>	<b>171,343</b>
<b>FUND BALANCES</b>					
Unreserved, reported in:					
General fund	30,436	-	-	-	30,436
Special revenue fund	-	882,656	100,651	-	983,307
<b>Total Fund Balances</b>	<b>30,436</b>	<b>882,656</b>	<b>100,651</b>	<b>-</b>	<b>1,013,743</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 65,322</b>	<b>\$ 1,239,533</b>	<b>\$ 100,651</b>	<b>\$ (220,420)</b>	<b>\$ 1,185,086</b>

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2009

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS	\$ 1,013,743
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	<u>24,395</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,038,138</u>

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
<b>REVENUE</b>					
Local sources	\$ 25,943	\$ 198,682	\$ 29,979	\$ -	\$ 254,604
Local sources - payments made on behalf of region	148,009	-	-	-	148,009
State sources	84,667	1,501,796	4,009	-	1,590,472
State sources - payments made on behalf of region	334,054	-	-	-	334,054
Federal sources	-	358,054	-	-	358,054
Total Revenues	<u>592,673</u>	<u>2,058,532</u>	<u>33,988</u>	<u>-</u>	<u>2,685,193</u>
<b>EXPENDITURES</b>					
Instructional Services:					
Salaries and benefits	70,063	1,772,544	22,116	-	1,864,723
Purchased services	28,387	352,487	30,618	-	411,492
Supplies and materials	9,934	59,180	12,129	-	81,243
Other objects	27,131	-	1,677	-	28,808
On-behalf payments	481,413	-	-	-	481,413
Capital outlay	650	6,085	-	-	6,735
Total Expenditures	<u>617,578</u>	<u>2,190,296</u>	<u>66,540</u>	<u>-</u>	<u>2,874,414</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>					
	<u>(24,905)</u>	<u>(131,764)</u>	<u>(32,552)</u>	<u>-</u>	<u>(189,221)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in	-	9,386	-	(9,386)	-
Transfer out	-	(9,386)	-	9,386	-
Interest	3,117	19,335	2,413	-	24,865
Total Other Financing Sources and Uses	<u>3,117</u>	<u>19,335</u>	<u>2,413</u>	<u>-</u>	<u>24,865</u>
<b>NET CHANGE IN FUND BALANCES</b>					
	<u>(21,788)</u>	<u>(112,429)</u>	<u>(30,139)</u>	<u>-</u>	<u>(164,356)</u>
<b>FUND BALANCES - BEGINNING</b>					
	<u>52,224</u>	<u>995,085</u>	<u>130,790</u>	<u>-</u>	<u>1,178,099</u>
<b>FUND BALANCES - ENDING</b>					
	<u>\$ 30,436</u>	<u>\$ 882,656</u>	<u>\$ 100,651</u>	<u>\$ -</u>	<u>\$ 1,013,743</u>

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2009

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ (164,356)

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	\$ 6,735	
Depreciation expense	(8,539)	(1,804)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (166,160)

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2009

	Business-Type Activities - Enterprise Funds		
	Technology / Testing Cooperative	Film Cooperative	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 190,103	\$ 28,626	\$ 218,729
Prepaid assets	7,019	-	7,019
Total current assets	<u>197,122</u>	<u>28,626</u>	<u>225,748</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation:	31,079	-	31,079
Total noncurrent assets	<u>31,079</u>	<u>-</u>	<u>31,079</u>
<b>TOTAL ASSETS</b>	<u>228,201</u>	<u>28,626</u>	<u>256,827</u>
<b>LIABILITIES</b>			
Accounts payable	4,475	-	4,475
<b>TOTAL LIABILITIES</b>	<u>4,475</u>	<u>-</u>	<u>4,475</u>
<b>NET ASSETS</b>			
Invested in capital assets	31,079	-	31,079
Unrestricted	192,647	28,626	221,273
<b>TOTAL NET ASSETS</b>	<u>\$ 223,726</u>	<u>\$ 28,626</u>	<u>\$ 252,352</u>

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities - Enterprise Funds		
	Technology / Testing Cooperative	Film Cooperative	Total
<b>OPERATING REVENUES</b>			
Local sources	\$ 158,057	\$ 1,525	\$ 159,582
Total operating revenues	<u>158,057</u>	<u>1,525</u>	<u>159,582</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	112,479	12,181	124,660
Purchased services	45,095	-	45,095
Supplies and materials	34,242	-	34,242
Depreciation	12,734	-	12,734
Total operating expenses	<u>204,550</u>	<u>12,181</u>	<u>216,731</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(46,493)</u>	<u>(10,656)</u>	<u>(57,149)</u>
<b>NONOPERATING REVENUES</b>			
Interest	3,965	732	4,697
Total nonoperating revenues	<u>3,965</u>	<u>732</u>	<u>4,697</u>
<b>CHANGE IN NET ASSETS</b>	(42,528)	(9,924)	(52,452)
<b>TOTAL NET ASSETS - BEGINNING</b>	<u>266,254</u>	<u>38,550</u>	<u>304,804</u>
<b>TOTAL NET ASSETS - ENDING</b>	<u>\$ 223,726</u>	<u>\$ 28,626</u>	<u>\$ 252,352</u>

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities - Enterprise Funds		
	Technology / Testing Cooperative	Film Cooperative	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 176,502	\$ 1,525	\$ 178,027
Payments to suppliers and providers of goods and services	(103,903)	-	(103,903)
Payments to employees	(112,479)	(12,181)	(124,660)
Net cash provided by (used for) operating activities	<u>(39,880)</u>	<u>(10,656)</u>	<u>(50,536)</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(1,591)	-	(1,591)
Net cash provided by (used for) capital and financing activities	<u>(1,591)</u>	<u>-</u>	<u>(1,591)</u>
Cash flows from investing activities:			
Interest	3,965	732	4,697
Net cash provided by (used for) investing activities	<u>3,965</u>	<u>732</u>	<u>4,697</u>
Net increase (decrease) in cash	(37,506)	(9,924)	(47,430)
Cash and cash equivalents - beginning	<u>227,609</u>	<u>38,550</u>	<u>266,159</u>
Cash and cash equivalents- ending	<u>\$ 190,103</u>	<u>\$ 28,626</u>	<u>\$ 218,729</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (46,493)	\$ (10,656)	\$ (57,149)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	12,734	-	12,734
Change in assets and liabilities:			
Decrease in due from other governments	18,445	-	18,445
(Increase) in prepaid assets	(1,343)	-	(1,343)
Decrease in accounts payable	(23,223)	-	(23,223)
Net cash provided by (used for) operating activities	<u>\$ (39,880)</u>	<u>\$ (10,656)</u>	<u>\$ (50,536)</u>

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
JUNE 30, 2009

	<u>Agency Fund</u>
<b>ASSETS</b>	
Due from other governments	\$ <u>1,541,338</u>
Total Assets	\$ <u><u>1,541,338</u></u>
<b>LIABILITIES</b>	
Due to other governments	\$ <u>1,541,338</u>
Total Liabilities	\$ <u><u>1,541,338</u></u>

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #13 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2009, the Regional Office of Education #13 implemented Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*; GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The Regional Office of Education #13 implemented these standards during the current year; however, GASB No. 49, 52, 55, and 56 had no impact on the financial statements.

A. FINANCIAL REPORTING ENTITY

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #13's districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. FINANCIAL REPORTING ENTITY (Concluded)

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

For the period ended June 30, 2009, the Regional Office of Education #13 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #13. Such activities are reported as a single major special revenue fund (Education Fund).

B. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #13 reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #13 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education #13 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #13 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #13 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #13 being considered a component unit of the entity.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #13's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education #13 has two business-type activities that rely on fees and charges for support.

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 are reported as separate columns in the fund financial statements.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and proprietary fund Statement of Net Assets and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Assets. All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

D. GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the government-wide financial statements.

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles on the modified accrual basis. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for prepaid expenses and other long-term obligations, which are recognized when paid.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**E. PROPRIETARY FUND FINANCIAL STATEMENTS**

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**F. 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 grantor have been met.

The governmental funds financial statements focus on the measurement of spending or "financial flow" and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #13; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

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

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

Under the terms of grant agreements, Clinton, Marion, and Washington Counties Regional Office of Education #13 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 resources available to finance the program. It is Clinton, Marion, and Washington Counties Regional Office of Education #13's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

#### G. FUND ACCOUNTING

The Regional Office of Education #13 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education #13 uses governmental, proprietary, and fiduciary funds.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**GOVERNMENTAL FUNDS**

Governmental funds are those through which most governmental functions typically are reported. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as a fund balance.

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education #13 has presented all major funds that meet the above qualifications.

The Regional Office of Education #13 reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of Regional Office of Education #13. It is used to account for the expenditures, which benefit all school districts in the region except those required to be accounted for in other funds. General Funds include the following:

**ROE/ISC Operations** – This fund accounts for the grant that provides the funding for the Regional Office of Education.

**Special Projects** – This fund accounts for miscellaneous expenses and programs that benefit the school districts and/or regional office.

**Major Special Revenue Fund** - 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:

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Education fund - This fund is used to account for various grant and education enhancement programs as follows:

Administrator's Academy – This program provides required training and continuing education of administrators.

Truant Alternative/Optional Education – This is a State-approved program leading to a high school diploma for students with truancy problems.

Even Start/Early Childhood Block Grant – This program provides early assistance to children and parents to enhance the child's physical, social and cognitive skills, and assist those identified as being at risk of academic failure.

English Language Learners – This program provides assistance to students learning the English language.

Summer School – This program accounts for teacher salaries and purchased services that are paid with funds provided by local school districts on a per student basis.

Title II Teacher Quality – This program provides teacher workshops.

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.

Standards Aligned Classroom – This program provides standards aligned classroom initiatives, coaching and support teams.

Conference – This program provides for events such as Talent Search and Olympiad programs.

Staff Development – This program offers technology assistance and training to teachers and, on a fee basis, NOVELL Certified classes for school district technology personnel.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

National Board Professional Teacher Support (NBPTS) - This program attempts to get teachers in the region to participate in the masters program and enhance their professional growth.

Special Education for Infants and Families with Disabilities – This program is funded by the Department of Human Services to help families with children between birth and age three obtain evaluations and assessments. Individualized plans are developed to help a child learn, grow, and receive needed services.

Regional System of Support Provider – This program provides for assistance with School Improvement Plans, alignment of curriculum/ standards/ instructional practice/ assessments, teacher/ administrator enhancement, and student, family and community support services.

Alternative Education Project – This fund accounts for Alternative School general State aid funding.

Safe School Tuition – This program accounts for tuition payments from local districts sending students to the Safe School in Centralia.

Safe Schools Projects – This program accounts for State aid and miscellaneous income and expenses relative to the Safe School in Centralia.

Homeless Children/Youth – This program provides educational services for homeless students, tutoring, clothing, school activity fees, and transportation.

The Regional Office of Education #13 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:

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

General Education Development – This fund accounts for the receipts and expenses pertaining to the G.E.D./High School Equivalency program for high school dropouts.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**GOVERNMENTAL FUNDS (Concluded)**

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.

**PROPRIETARY FUNDS**

Proprietary funds are those in which revenues and expenses related to services provided to an organization inside the Regional Office of Education #13 on a cost reimbursement basis are reported.

The Regional Office of Education #13 reports the following major proprietary fund:

Technology/Testing Cooperative – This program is a local district cooperative that provide services for scoring and reporting of student achievement testing.

The Regional Office of Education #13 reports the following nonmajor proprietary fund:

Film Cooperative – This program is a Marion County schools cooperative that purchases and loans film and video materials for instructional use.

**FIDUCIARY FUND**

Agency Funds - Agency Funds are used to account for assets held by the Regional Office of Education #13 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Distributive Fund is the Regional Office of Education #13's only agency fund.

Distributive Fund - This fund distributes monies received by the State out to the school districts and other entities.

Interest on Distributive Fund – The Regional Office of Education #13 has agreements with all districts in the region whereby the Regional Office of Education #13 is allowed to keep the interest for expenditures benefiting all districts.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. NET ASSETS

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

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

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

Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets."

I. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit. Regional Office of Education #13 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

J. INVENTORY

Inventory is not recorded. The cost is recorded as an expenditure at the time individual inventory items are purchased.

K. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets as follows:

Office Equipment and Furniture	5-10 years
Computer Equipment	3 - 5 years
Other Equipment	5-20 years

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

L. COMPENSATED ABSENCES

Non-certified and certified employees who work 12 calendar months earn up to 20 vacation days for a full year of service. The accumulated total of vacation days may never exceed 30 days. In the event that a program terminates, no vacation days will be honored past the ending date of the program and therefore; no liability is accrued. Certified employees who work less than 12 calendar months per year do not earn vacation days.

Employees receive up to 12 sick days annually and the unused portion is accumulated up to 180 days 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.

M. ESTIMATES

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

N. BUDGET INFORMATION

The Regional Office of Education #13 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Fund. Certain programs have separate budgets and are required to report to the Illinois State Board of Education and Department of Human Services; however none of the annual budgets have been legally adopted nor are they required to do so. The General Fund and certain programs within the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results are presented as supplemental information. Budget information has been provided in supplementary schedules for the following funds: ROE/ISC Operations, Truant Alternative/Optional Education, Even Start/Early Childhood Block Grant, Regional Safe Schools, Title II – Teacher Quality, and Special Education for Infants and Families with Disabilities.

NOTE 2 – CASH AND CASH EQUIVALENTS

The Regional Office of Education #13 does not have a formal investment policy. The Regional Office of Education #13 is allowed to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 2 – CASH AND CASH EQUIVALENTS (Concluded)

A. DEPOSITS

At June 30, 2009, the carrying amount of the Regional Office of Education #13's government-wide and agency fund deposits were \$960,129 and \$-, respectively, and the bank balances were \$1,035,198 and \$1,084,851, respectively. Of the total bank balances as of June 30, 2009, \$266,001 was secured by federal depository insurance and \$769,197 was collateralized by securities pledged by the Regional Office of Education #13's financial institution in the Regional Office's name.

B. INVESTMENTS

The Regional Office of Education #13 does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2009, the Regional Office of Education #13 had investments with carrying value of \$1,084,851 invested in the Illinois Funds Money Market Fund.

CREDIT RISK

At June 30, 2009, the Illinois Funds Money Market Fund had a Standard and Poor's AAA rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

INTEREST RATE RISK

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

CONCENTRATION OF CREDIT RISK

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2009

**NOTE 3 - DEFINED BENEFIT PENSION PLAN**

**Plan Description.** The Regional Office of Education #13's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #13's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on line at [www.imrf.org](http://www.imrf.org).

**Funding Policy.** As set by statute, the Regional Office of Education #13's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 10.38 percent of annual covered payroll. The Regional Office of Education #13 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Annual Pension Cost.** For 2008, the Regional Office of Education #13's annual pension cost of \$91,802 for the Regular plan was equal to the Regional Office of Education #13's required and actual contributions.

THREE YEAR TREND INFORMATION

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contribution</u>	<u>Net Pension Obligation</u>
12/31/08	91,802	100%	\$0
12/31/07	92,091	100%	0
12/31/06	100,270	100%	0

The required contribution for 2008 was determined as part of the December 31, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education #13's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006, valuation was 5 years.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Concluded)

**Funded Status and Funding Progress.** As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 87.51 percent funded. The actuarial accrued liability for benefits was \$1,751,147 and the actuarial value of assets was \$1,532,456, resulting in an underfunded actuarial accrued liability (UAAL) of \$218,691. The covered payroll (annual payroll of active employees covered by the plan) was \$884,418 and the ratio of the UAAL to the covered payroll was 25 percent.

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

NOTE 4 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The Regional Office of Education #13 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate through June 30, 2009 was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2008 and 2007. In addition, virtually all members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The employer THIS Fund contribution was 0.63 percent during the year ended June 30, 2009, and the member THIS Fund health insurance contribution was 0.84 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #13 TRS-covered employees.

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #13. For the year ended June 30, 2009, State of Illinois contributions were based on 17.08 percent of creditable earnings, not paid from federal funds, and the Regional Office of Education #13 recognized revenue and expenditures of \$122,410 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2008, and June 30, 2007, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 13.11 percent (\$94,587) and 9.78 percent (\$68,961), respectively.

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 4 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

The Regional Office of Education #13 makes three other types of employer contributions directly to TRS.

- **2.2 formula contributions.** Employers contribute .58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2009 were \$4,157. Contributions for the years ending June 30, 2008, and June 30, 2007, were \$4,185 and \$4,090, respectively.
- **Federal and special trust fund contributions.** When TRS members are paid from federal and trust funds administered by the Regional Office of Education #13, there is a statutory requirement for the Regional Office of Education #13 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in 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, 2009, the employer pension contribution was 17.08 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2008 and 2007, the employer contribution was 13.11 and 9.78 percent of salaries paid from those funds, respectively. For the year ended June 30, 2009, salaries totaling \$85,200 were paid from federal and special trust funds that required employer contributions of \$14,552. For the years ended June 30, 2008, and June 30 2007, required Regional Office of Education #13 contributions were \$12,400 and \$10,795, respectively.
- **Early Retirement Option.** The Regional Office of Education #13 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires. Under Public Act 94-0004, a "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies for the Pipeline ERO). Under the Pipeline ERO, the maximum employer contribution was 100 percent of the member's highest salary used in the final average salary calculation. Under the Modified ERO, the maximum employer contribution is 117.5 percent.

Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement. For the year ended June 30, 2009, the Regional Office of Education #13 paid no TRS for employer contributions under the ERO program. For the years ended June 30, 2008 and June 30, 2007, the Regional Office of Education #13 paid no employer ERO contributions.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 4 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Concluded)

- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two new employer contributions to TRS.
  - If the Regional Office of Education #13 grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the Regional Office of Education #13 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 year ended June 30, 2009, the Regional Office of Education #13 paid no TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2008 and June 30, 2007, the Regional Office of Education #13 paid no employer contributions due on salary increases in excess of 6 percent.

- If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the Regional Office of Education #13 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 (18.67 percent of salary during the year ended June 30, 2009.)

For the year ended June 30, 2009, the Regional Office of Education #13 paid no TRS for sick leave days granted in the excess of the normal annual allotment. For the year ended June 30, 2008 and June 30, 2007, the Regional Office of Education #13 paid no employer contributions granted for sick leave days.

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 5 - INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2009 consist of the following individual due to/from other funds in the governmental fund balance sheet. These balances were eliminated in the government-wide Statement of Net Assets.

<u>From</u>	<u>To</u>	<u>Amount</u>
<u>Education Fund</u>	<u>Education Fund</u>	
Alternative Education Project	Even Start/Early Childhood Block Grant	\$ 89,870
Alternative Education Project	Summer School	2,335
Alternative Education Project	Special Education for Infants and Families with Disabilities	36,963
Alternative Education Project	Regional System of Support Provider	6,667
<u>Education Fund</u>	<u>General Fund</u>	
Alternative Education Project	ROE/ISC Operations	34,496
<u>Education Fund</u>	<u>Education Fund</u>	
Safe School Tuition	Regional Safe School	50,089
		<u>\$ 220,420</u>

TRANSFERS

Interfund transfers in/out of other fund balances at June 30, 2009 consist of the following individual transfers in/out of other funds in the governmental fund balance sheet. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
<u>Education Fund</u>	<u>Education Fund</u>	
Staff Development	Safe School Tuition	\$ 2,422
Regional Safe Schools	Safe School Tuition	6,964
		<u>\$ 9,386</u>

NOTE 6 - CAPITAL ASSET ACTIVITY

In accordance with GASB Statement No. 34, the Regional Office of Education #13 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental activities statements. Purchases of business-type capital assets are capitalized when purchased. Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2009 of \$8,539 and \$12,734 was charged to the governmental activities and business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 6 - CAPITAL ASSETS ACTIVITY (Continued)

The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2009:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Governmental Activities:				
<u>General Fund</u>				
ROE/ISC Operations	\$ 21,869	\$ -	\$ 2,425	\$ 19,444
School Development and Improvement	56,610	-	13,343	43,267
Special Projects	2,247	650	-	2,897
<u>Education Fund</u>				
Truants Alternative/Optional Education	4,850	-	1,000	3,850
Title I - Reading First Part B SEA Funds	5,608	-	-	5,608
Regional Safe Schools	13,261	-	2,506	10,755
Special Education for Infants and Families with Disabilities	36,621	2,012	-	38,633
Alternative Education Project	5,408	4,073	-	9,481
Safe School Tuition	11,318	-	-	11,318
Safe School Projects	26,080	-	-	26,080
Scientific Literacy	3,218	-	-	3,218
<u>Nonmajor Fund</u>				
Institute Fund	14,274	-	-	14,274
General Education Development	8,409	-	-	8,409
Governmental Funds Total Assets	209,773	6,735	19,274	197,234
Less: Accumulated Depreciation	183,574	8,539	19,274	172,839
Governmental Funds				
Investment in Capital Assets, Net	\$ 26,199	\$ (1,804)	\$ -	\$ 24,395

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 6 - CAPITAL ASSETS ACTIVITY (Concluded)

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
Business-type Activities:				
Technology/Testing Cooperative	\$ 69,563	\$ 1,591	\$ -	\$ 71,154
Business-type Activities				
Total Capital Assets	69,563	1,591	-	71,154
Less: Accumulated Depreciation	27,341	12,734	-	40,075
Business-type Activities				
Investment in Capital Assets, Net	<u>\$ 42,222</u>	<u>\$(11,143)</u>	<u>\$ -</u>	<u>\$ 31,079</u>

NOTE 7 - RISK MANAGEMENT

The Regional Office of Education #13 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education #13 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

NOTE 8 – ON BEHALF PAYMENTS

Clinton, Marion and Washington Counties provide the Regional Office of Education #13 with staff and pay certain expenditures on behalf of the Regional Office of Education #13. The expenditures paid on the Regional Office of Education #13's behalf for the year ended June 30, 2009, were as follows:

Salaries and benefits	\$ 121,515
Purchased services	19,171
Supplies and materials	<u>6,673</u>
	147,359
Capital outlay	<u>650</u>
Total	<u>\$ 148,009</u>

These amounts have been recorded in the accompanying financial statements as local revenue and expenditures, with the exception of the capital outlay which has been reported as capital outlay in the governmental fund statements and capitalized in the government-wide financial statements.

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 8 – ON BEHALF PAYMENTS (Concluded)

The State of Illinois paid the following salaries and benefits on behalf of the Regional Office of Education #13:

Regional Superintendent Salary	\$ 96,435
Regional Superintendent Fringe Benefit (Includes State paid insurance)	16,936
Assistant Regional Superintendent Salary	86,791
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	11,482
TRS Pension contribution	<u>122,410</u>
<b>Total</b>	<b><u>\$ 334,054</u></b>

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

These amounts have been recorded in the accompanying financial statements as State revenue and expenditures.

NOTE 9 - DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #13's Agency Fund and Governmental Funds have funds due to and due from various other governmental units which consist of the following:

Due From Other Governments:

<u>Fiduciary Fund</u>	
Illinois State Board of Education	\$1,541,338
<u>Education Fund</u>	
Federal Governments	58,615
Illinois State Board of Education	213,498
State Governments	134,352
Local School Districts	2,335
<u>General Fund</u>	
State Governments	<u>34,886</u>
Total	<b><u>\$1,985,024</u></b>

Due To Other Governments:

<u>Fiduciary Fund</u>	
Local School Districts	\$1,541,338
<u>Education Fund</u>	
Department of Human Services	<u>4,715</u>
Total	<b><u>\$1,546,053</u></b>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 10 - GENERAL STATE AID

General State Aid revenue has been reported as revenue in the following Education Fund accounts as follows:

From State Sources:	
Alternative Education Project	\$ 89,686
Safe School Project	<u>92,722</u>
 Total General State Aid	 <u>\$ 182,408</u>
 From Federal Sources:	
Alternative Education Project	\$ 26,514
Safe School Project	27,411
Special Education for Infants and Families with disabilities	<u>17,953</u>
 Total ARRA - General State Aid	 <u>\$ 71,878</u>

NOTE 11 - OPERATING LEASE

The Regional Office of Education #13 has entered into several annual operating lease agreements for the Truant Alternative/Optional Education, Regional Safe School, and Special Education for Infants and Families with Disabilities programs within the Education Fund. Total rent expense for the year ended June 30, 2009 is \$25,650.

**REQUIRED SUPPLEMENTAL INFORMATION**  
(Other than Management Discussion and Analysis)

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 ILLINOIS MUNICIPAL RETIREMENT FUND  
 SCHEDULE OF FUNDING PROGRESS  
 (UNAUDITED)  
 June 30, 2009

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Unfunded Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ( (b-a)/c )
12/31/08	1,532,456	1,751,147	218,691	87.51%	884,418	24.73%
12/31/07	1,492,198	1,597,839	105,641	93.39%	859,054	12.30%
12/31/06	1,264,843	1,348,852	84,009	93.77%	807,976	10.40%

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$1,202,309.

On a market basis, the funded ratio would be 68.66%

**\* Digest of changes**

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

**SUPPLEMENTAL INFORMATION**

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
JUNE 30, 2009

	ROE/ISC Operations	Special Projects	TOTALS
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 30,436	\$ 30,436
Due from state governments	34,886	-	34,886
<b>TOTAL ASSETS</b>	<b>\$ 34,886</b>	<b>\$ 30,436</b>	<b>\$ 65,322</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 390	\$ -	\$ 390
Due to other funds	34,496	-	34,496
<b>Total Liabilities</b>	<b>34,886</b>	<b>-</b>	<b>34,886</b>
<b>FUND BALANCES</b>			
Unreserved	-	30,436	30,436
<b>Total Fund Balances</b>	<b>-</b>	<b>30,436</b>	<b>30,436</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 34,886</b>	<b>\$ 30,436</b>	<b>\$ 65,322</b>

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2009

	ROE/ISC Operations	Special Projects	TOTALS
<b>REVENUES</b>			
Local sources	\$ -	\$ 25,943	\$ 25,943
Local sources - payments made on behalf of region	-	148,009	148,009
State sources	80,167	4,500	84,667
State sources - payments made on behalf of region	-	334,054	334,054
Total Revenues	<u>80,167</u>	<u>512,506</u>	<u>592,673</u>
<b>EXPENDITURES</b>			
Salaries and benefits	70,063	-	70,063
Purchased services	4,865	23,522	28,387
Supplies and materials	5,239	4,695	9,934
Other objects	-	27,131	27,131
Capital outlay	-	650	650
On-behalf payments	-	481,413	481,413
Total Expenditures	<u>80,167</u>	<u>537,411</u>	<u>617,578</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>(24,905)</u>	<u>(24,905)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interest	-	3,117	3,117
Total other financing sources (uses)	<u>-</u>	<u>3,117</u>	<u>3,117</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>(21,788)</u>	<u>(21,788)</u>
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>52,224</u>	<u>52,224</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ 30,436</u>	<u>\$ 30,436</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2008 to June 30, 2009)  
 GENERAL FUND ACCOUNTS  
 ROE/ISC OPERATIONS  
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
State sources	\$ 80,167	\$ 80,167	\$ 80,167
Total Revenues	<u>80,167</u>	<u>80,167</u>	<u>80,167</u>
<b>EXPENDITURES</b>			
Current:			
Salaries and benefits	73,000	70,100	70,063
Purchased services	5,140	5,140	4,865
Supplies and materials	2,027	4,927	5,239
Total Expenditures	<u>80,167</u>	<u>80,167</u>	<u>80,167</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>			
	-	-	-
<b>FUND BALANCES - BEGINNING</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2009

	Administrator's Academy	Truant Alternative/Optional Education	Even Start/ Early Childhood Block Grant	English Language Learners	Summer School	Title II Teacher Quality
<b>ASSETS</b>						
Cash and cash equivalents	\$ 7,803	\$ 48,943	\$ -	\$ 318	\$ -	\$ 118,817
Due from other funds	-	-	-	-	-	-
Due from other governments:						
Local	-	-	-	-	2,335	-
State	-	64,693	213,498	-	-	-
Federal	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 7,803</b>	<b>\$ 113,636</b>	<b>\$ 213,498</b>	<b>\$ 318</b>	<b>\$ 2,335</b>	<b>\$ 118,817</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 25,651	\$ 78,522	\$ -	\$ -	\$ -
Due to other funds	-	-	89,870	-	2,335	-
Due to other governments:						
Federal	-	-	-	-	-	-
Deferred revenue	-	-	-	318	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>25,651</b>	<b>168,392</b>	<b>318</b>	<b>2,335</b>	<b>-</b>
<b>FUND BALANCES</b>						
Unreserved	7,803	87,985	45,106	-	-	118,817
<b>Total Fund Balances</b>	<b>7,803</b>	<b>87,985</b>	<b>45,106</b>	<b>-</b>	<b>-</b>	<b>118,817</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,803</b>	<b>\$ 113,636</b>	<b>\$ 213,498</b>	<b>\$ 318</b>	<b>\$ 2,335</b>	<b>\$ 118,817</b>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2009

	Regional Safe Schools	Standards Aligned Classroom	Conference	Staff Development	Special Education for Infants and Families with Disabilities	NBPTS
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 2,806	\$ 6,179	\$ 3,975	\$ -	\$ 1,803
Due from other funds	-	-	-	-	-	-
Due from other governments:						
Local	-	-	-	-	-	-
State	69,659	-	-	-	-	-
Federal	-	-	-	-	51,948	-
<b>TOTAL ASSETS</b>	<b>\$ 69,659</b>	<b>\$ 2,806</b>	<b>\$ 6,179</b>	<b>\$ 3,975</b>	<b>\$ 51,948</b>	<b>\$ 1,803</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 17,136	\$ 1,093	\$ -	\$ 3,975	\$ 10,270	\$ -
Due to other funds	50,089	-	-	-	36,963	-
Due to other governments:						
Federal	-	-	-	-	4,715	-
Deferred revenue	-	1,713	-	-	-	1,803
<b>Total Liabilities</b>	<b>67,225</b>	<b>2,806</b>	<b>-</b>	<b>3,975</b>	<b>51,948</b>	<b>1,803</b>
<b>FUND BALANCES</b>						
Unreserved	2,434	-	6,179	-	-	-
<b>Total Fund Balances</b>	<b>2,434</b>	<b>-</b>	<b>6,179</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 69,659</b>	<b>\$ 2,806</b>	<b>\$ 6,179</b>	<b>\$ 3,975</b>	<b>\$ 51,948</b>	<b>\$ 1,803</b>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2009

	Homeless Children/Youth	Regional System of Support Provider	Alternative Education Project	Safe School Tuition	Safe School Projects	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,699	\$ -	\$ 183,600	\$ 21,310	\$ 210,060	\$ 610,313
Due from other funds	-	-	170,331	50,089	-	220,420
Due from other governments:						
Local	-	-	-	-	-	2,335
State	-	-	-	-	-	347,850
Federal	-	6,667	-	-	-	58,615
<b>TOTAL ASSETS</b>	<b>\$ 4,699</b>	<b>\$ 6,667</b>	<b>\$ 353,931</b>	<b>\$ 71,399</b>	<b>\$ 210,060</b>	<b>\$ 1,239,533</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 11,671	\$ 6,508	\$ 2,879	\$ 157,705
Due to other funds	-	6,667	-	-	-	185,924
Due to other governments:						
Federal	-	-	-	-	-	4,715
Deferred revenue	4,699	-	-	-	-	8,533
<b>Total Liabilities</b>	<b>4,699</b>	<b>6,667</b>	<b>11,671</b>	<b>6,508</b>	<b>2,879</b>	<b>356,877</b>
<b>FUND BALANCES</b>						
Unreserved	-	-	342,260	64,891	207,181	882,656
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>342,260</b>	<b>64,891</b>	<b>207,181</b>	<b>882,656</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,699</b>	<b>\$ 6,667</b>	<b>\$ 353,931</b>	<b>\$ 71,399</b>	<b>\$ 210,060</b>	<b>\$ 1,239,533</b>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2009

	Administrator's Academy	Truant Alternative/Optional Education	Even Start/ Early Childhood Block Grant	English Language Learners	Summer School	Title II Teacher Quality
<b>REVENUES</b>						
Local sources	\$ 8,225	\$ 1,492	\$ -	\$ -	\$ 3,535	\$ 48,500
State sources	-	178,446	549,998	-	-	-
Federal sources	-	16,259	7,000	3,155	-	294
Total Revenue	<u>8,225</u>	<u>196,197</u>	<u>556,998</u>	<u>3,155</u>	<u>3,535</u>	<u>48,794</u>
<b>EXPENDITURES</b>						
Salaries and benefits	-	159,006	499,655	297	3,490	-
Purchased services	7,266	33,865	46,401	2,613	45	38,093
Supplies and materials	88	10,621	11,345	274	-	2,989
Capital outlay	-	-	-	-	-	-
Total Expenditures	<u>7,354</u>	<u>203,492</u>	<u>557,401</u>	<u>3,184</u>	<u>3,535</u>	<u>41,082</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>871</u>	<u>(7,295)</u>	<u>(403)</u>	<u>(29)</u>	<u>-</u>	<u>7,712</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer in	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-
Interest	134	1,432	403	29	-	2,903
Total Other Financing Sources (Uses)	<u>134</u>	<u>1,432</u>	<u>403</u>	<u>29</u>	<u>-</u>	<u>2,903</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,005	(5,863)	-	-	-	10,615
<b>FUND BALANCES - BEGINNING</b>	<u>6,798</u>	<u>93,848</u>	<u>45,106</u>	<u>-</u>	<u>-</u>	<u>108,202</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 7,803</u>	<u>\$ 87,985</u>	<u>\$ 45,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,817</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2009

	Regional Safe Schools	Standards Aligned Classroom	Conference	Staff Development	Special Education for Infants and Families with Disabilities	NBPTS
<b>REVENUES</b>						
Local sources	\$ 472	\$ -	\$ 18,546	\$ 1,323	\$ 89	\$ -
State sources	153,227	-	-	-	433,886	-
Federal sources	40	14,571	-	-	203,617	17,143
Total Revenue	<u>153,739</u>	<u>14,571</u>	<u>18,546</u>	<u>1,323</u>	<u>637,592</u>	<u>17,143</u>
<b>EXPENDITURES</b>						
Salaries and benefits	132,123	10,555	-	24,132	493,937	9,444
Purchased services	24,815	4,050	18,892	1,763	134,149	7,799
Supplies and materials	1,345	-	679	367	7,538	-
Capital outlay	-	-	-	-	2,012	-
Total Expenditures	<u>158,283</u>	<u>14,605</u>	<u>19,571</u>	<u>26,262</u>	<u>637,636</u>	<u>17,243</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(4,544)</u>	<u>(34)</u>	<u>(1,025)</u>	<u>(24,939)</u>	<u>(44)</u>	<u>(100)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer in	6,964	-	-	2,422	-	-
Transfer out	-	-	-	-	-	-
Interest	14	34	184	294	44	100
Total Other Financing Sources (Uses)	<u>6,978</u>	<u>34</u>	<u>184</u>	<u>2,716</u>	<u>44</u>	<u>100</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,434	-	(841)	(22,223)	-	-
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>7,020</u>	<u>22,223</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 2,434</u>	<u>\$ -</u>	<u>\$ 6,179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2009

	Homeless Children/Youth	Regional System of Support Provider	Alternative Education Project	Safe School Tuition	Safe School Projects	TOTAL
<b>REVENUES</b>						
Local sources	\$ -	\$ -	\$ -	\$ 116,500	\$ -	\$ 198,682
State sources	-	3,831	89,686	-	92,722	1,501,796
Federal sources	3,655	38,395	26,514	-	27,411	358,054
Total Revenue	<u>3,655</u>	<u>42,226</u>	<u>116,200</u>	<u>116,500</u>	<u>120,133</u>	<u>2,058,532</u>
<b>EXPENDITURES</b>						
Salaries and benefits	2,531	40,740	179,765	97,433	119,436	1,772,544
Purchased services	1,092	1,486	4,349	24,986	823	352,487
Supplies and materials	123	-	13,718	9,494	599	59,180
Capital outlay	-	-	4,073	-	-	6,085
Total Expenditures	<u>3,746</u>	<u>42,226</u>	<u>201,905</u>	<u>131,913</u>	<u>120,858</u>	<u>2,190,296</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(91)</u>	<u>-</u>	<u>(85,705)</u>	<u>(15,413)</u>	<u>(725)</u>	<u>(131,764)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer in	-	-	-	-	-	9,386
Transfer out	-	-	-	(9,386)	-	(9,386)
Interest	91	-	7,928	1,335	4,410	19,335
Total Other Financing Sources (Uses)	<u>91</u>	<u>-</u>	<u>7,928</u>	<u>(8,051)</u>	<u>4,410</u>	<u>19,335</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>-</u>	<u>(77,777)</u>	<u>(23,464)</u>	<u>3,685</u>	<u>(112,429)</u>
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>420,037</u>	<u>88,355</u>	<u>203,496</u>	<u>995,085</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 342,260</u>	<u>\$ 64,891</u>	<u>\$ 207,181</u>	<u>\$ 882,656</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2008 to June 30, 2009)  
 EDUCATION FUND ACCOUNTS  
 TRUANT ALTERNATIVE/OPTIONAL EDUCATION  
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Local sources	\$ -	\$ -	\$ 1,492
State sources	175,707	177,464	178,446
Federal sources	-	-	16,259
Total Revenues	<u>175,707</u>	<u>177,464</u>	<u>196,197</u>
<b>EXPENDITURES</b>			
Salaries and benefits	142,236	140,212	159,006
Purchased services	26,121	27,415	33,865
Supplies and materials	7,350	9,837	10,621
Total Expenditures	<u>175,707</u>	<u>177,464</u>	<u>203,492</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(7,295)</u>
<b>OTHER FINANCING SOUCES (USES)</b>			
Interest	-	-	1,432
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,432</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>-</u>	<u>(5,863)</u>
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>93,848</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,985</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2008 to June 30, 2009)  
EDUCATION FUND ACCOUNTS  
EVEN START/EARLY CHILDHOOD BLOCK GRANT  
FOR THE YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts
	Original 3705-00	Final 3705-00	
<b>REVENUES</b>			
State sources	\$ 534,673	\$ 570,979	\$ 549,998
Federal sources	-	-	7,000
Total Revenues	<u>534,673</u>	<u>570,979</u>	<u>556,998</u>
<b>EXPENDITURES</b>			
Salaries and benefits	484,413	502,936	499,655
Purchased services	34,700	39,283	46,401
Supplies and materials	15,560	28,760	11,345
Total Expenditures	<u>534,673</u>	<u>570,979</u>	<u>557,401</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>(403)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interest	-	-	403
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>403</u>
<b>NET CHANGE IN FUND BALANCES</b>			
	-	-	-
<b>FUND BALANCES - BEGINNING</b>			
	<u>-</u>	<u>-</u>	<u>45,106</u>
<b>FUND BALANCES - ENDING</b>			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,106</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2008 to June 30, 2009)  
EDUCATION FUND ACCOUNTS  
REGIONAL SAFE SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Local sources	\$ -	\$ -	\$ 472
State sources	153,210	153,227	153,227
Federal sources	40	40	40
Total Revenues	<u>153,250</u>	<u>153,267</u>	<u>153,739</u>
<b>EXPENDITURES</b>			
Salaries and benefits	131,900	127,900	132,123
Purchased services	20,149	24,149	24,815
Supplies and materials	1,201	1,218	1,345
Total Expenditures	<u>153,250</u>	<u>153,267</u>	<u>158,283</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>(4,544)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in	-	-	6,964
Interest	-	-	14
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>6,978</u>
<b>NET CHANGE IN FUND BALANCES</b>			
	-	-	2,434
<b>FUND BALANCES - BEGINNING</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,434</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2008 to June 30, 2009)  
EDUCATION FUND ACCOUNTS  
TITLE II - TEACHER QUALITY  
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Local sources	\$ -	\$ -	\$ 48,500
Federal sources	294	294	294
Total Revenues	<u>294</u>	<u>294</u>	<u>48,794</u>
<b>EXPENDITURES</b>			
Purchased services	-	-	38,093
Supplies and materials	294	294	2,989
Total Expenditures	<u>294</u>	<u>294</u>	<u>41,082</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>7,712</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interest	-	-	2,903
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,903</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	10,615
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>108,202</u>
<b>FUND BALANCES - ENDING</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 118,817</u></u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2008 to June 30, 2009)  
EDUCATION FUND ACCOUNTS  
SPECIAL EDUCATION FOR INFANTS AND FAMILIES WITH DISABILITIES  
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Local sources	\$ -	\$ -	\$ 89
State sources	534,673	534,673	433,886
Federal sources	-	-	203,617
Total Revenues	<u>534,673</u>	<u>534,673</u>	<u>637,592</u>
<b>EXPENDITURES</b>			
Salaries and benefits	484,413	484,413	493,937
Purchased services	34,700	34,700	134,149
Supplies and materials	15,560	15,560	7,538
Capital outlay	-	-	2,012
Total Expenditures	<u>534,673</u>	<u>534,673</u>	<u>637,636</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(44)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interest	-	-	44
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>44</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2009

	<u>Institute</u>	<u>General Education Development</u>	<u>Bus Driver Training</u>	<u>Supervisory</u>	<u>TOTALS</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 82,760	\$ 11,554	\$ 5,222	\$ 1,115	\$ 100,651
<b>TOTAL ASSETS</b>	<u>\$ 82,760</u>	<u>\$ 11,554</u>	<u>\$ 5,222</u>	<u>\$ 1,115</u>	<u>\$ 100,651</u>
<b>FUND BALANCES</b>					
Unreserved	\$ 82,760	\$ 11,554	\$ 5,222	\$ 1,115	\$ 100,651
<b>TOTAL FUND BALANCES</b>	<u>\$ 82,760</u>	<u>\$ 11,554</u>	<u>\$ 5,222</u>	<u>\$ 1,115</u>	<u>\$ 100,651</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2009

	Institute	General Education Development	Bus Driver Training	Supervisory	TOTALS
<b>REVENUES</b>					
Local sources	15,908	\$ 12,547	\$ 1,524	\$ -	\$ 29,979
State sources	-	-	1,009	3,000	4,009
Total Revenues	<u>15,908</u>	<u>12,547</u>	<u>2,533</u>	<u>3,000</u>	<u>33,988</u>
<b>EXPENDITURES</b>					
Salaries and benefits	16,145	3,608	2,363	-	22,116
Purchased services	21,043	5,694	1,929	1,952	30,618
Supplies and materials	3,211	8,384	534	-	12,129
Other objects	1,677	-	-	-	1,677
Total Expenditures	<u>42,076</u>	<u>17,686</u>	<u>4,826</u>	<u>1,952</u>	<u>66,540</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(26,168)</u>	<u>(5,139)</u>	<u>(2,293)</u>	<u>1,048</u>	<u>(32,552)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Interest	1,929	319	131	34	2,413
Total Other Financing Sources (Uses)	<u>1,929</u>	<u>319</u>	<u>131</u>	<u>34</u>	<u>2,413</u>
NET CHANGE IN FUND BALANCES	<u>(24,239)</u>	<u>(4,820)</u>	<u>(2,162)</u>	<u>1,082</u>	<u>(30,139)</u>
FUND BALANCES - BEGINNING	<u>106,999</u>	<u>16,374</u>	<u>7,384</u>	<u>33</u>	<u>130,790</u>
FUND BALANCES - ENDING	<u>\$ 82,760</u>	<u>\$ 11,554</u>	<u>\$ 5,222</u>	<u>\$ 1,115</u>	<u>\$ 100,651</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUND  
 YEAR ENDED JUNE 30, 2009

	Balance 7/1/2008	Additions	Deductions	Balance 6/30/2009
<u>Distributive Fund</u>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 39	\$ 78,046,718	\$ 78,046,757	\$ -
Due from other governments	4,399,961	1,541,338	4,399,961	1,541,338
<b>Total Assets</b>	<b>\$ 4,400,000</b>	<b>\$ 79,588,056</b>	<b>\$ 82,446,718</b>	<b>\$ 1,541,338</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 4,400,000	\$ 79,588,056	\$ 82,446,718	\$ 1,541,338
<b>Total Liabilities</b>	<b>\$ 4,400,000</b>	<b>\$ 79,588,056</b>	<b>\$ 82,446,718</b>	<b>\$ 1,541,338</b>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES  
DISTRIBUTIVE FUND  
FOR THE YEAR ENDED JUNE 30, 2009

TREASURER	General State Aid	Special Education	Vocational Education	Milk, Breakfast, and Lunch Programs
Perez (#1)	\$ 3,814,814	\$ 321,622	\$ -	\$ 188,996
Tockstein (#3)	4,650,712	393,399	-	153,076
Nettemeier (#12)	1,546,920	187,589	-	114,726
Kohlbrecher (#14/15)	584,398	40,955	-	12,941
Kuper (#21)	1,107,493	70,893	-	17,598
Holtkamp (#46)	773,867	57,840	-	42,953
Toennies (#57)	620,419	38,490	-	5,837
Beer (#60)	1,047,424	49,645	-	17,764
Arentsen (#62)	424,918	20,685	-	12,744
Deimeke (#63)	596,845	29,621	-	14,219
Kampwerth (#71)	1,184,795	149,658	-	43,185
Holtkamp (#186)	568,749	30,724	-	61,749
Smith (#1)	1,208,659	65,525	-	65,057
Beer (#2)	520,788	27,914	-	28,299
Fatheree (#7)	1,285,700	63,245	-	67,605
Phillips (#10)	900,162	53,080	-	43,674
Woolsey (#100)	693,734	57,005	-	86,542
Lloyd (#111)	4,178,150	257,227	-	294,270
Malan (#122)	1,168,295	55,349	-	66,009
Holtkamp (#133)	1,168,635	82,270	-	71,882
Woelfel (#135)	6,619,795	434,620	-	555,288
Broughton (#200)	4,505,197	260,997	-	154,106
Engel (#401)	2,786,056	193,475	-	218,444
Humes (#501)	2,876,951	184,278	-	175,586
McArthur (#600)	3,386,421	188,364	-	113,400
Malan (#700)	473,315	24,834	-	13,790
McClay (#1)	335,808	28,352	-	12,922
Leadendecker (#10)	1,784,660	93,209	-	51,759
Beckmeyer (#11)	398,344	22,479	-	24,833
Evans (#15)	643,375	36,811	-	40,427
Bierman (#29)	236,217	28,383	-	12,675
Snead (#49)	1,012,802	110,511	-	112,527
Brueggemann (#99)	1,872,864	99,757	-	25,156
Career and Tech Ed Sys	-	-	516,736	-
Hazel Hopkins	-	5,493,454	-	57,988
IL Funds Interest	-	-	-	-
<b>Totals</b>	<b>\$ 54,977,282</b>	<b>\$ 9,252,260</b>	<b>\$ 516,736</b>	<b>\$ 2,978,027</b>

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES  
 DISTRIBUTIVE FUND  
 FOR THE YEAR ENDED JUNE 30, 2009

TREASURER	Driver Education	Transportation	Reading Improvement	Safety/Ed Block Grant	National Bd Initiatives
Perez (#1)	\$ 14,820	\$ 287,265	\$ 40,125	\$ 41,646	\$ 28,000
Bair (#3)	16,268	188,802	37,129	47,235	-
Nettemeier (#12)	-	107,509	25,855	21,199	-
Kohlbrecher (#14/15)	-	18,313	9,623	5,886	14,000
Kuper (#21)	-	60,181	11,695	11,492	-
Holtkamp (#46)	-	45,118	8,609	5,686	-
Toennies (#57)	-	34,444	5,542	5,343	-
Beckmann (#60)	-	16,342	9,402	8,987	-
Arentsen (#62)	-	17,624	3,675	3,983	-
Deimeke (#63)	-	9,835	7,484	6,026	-
Kampwerth (#71)	39,162	272,137	-	21,214	-
Holtkamp (#186)	-	14,315	6,630	3,930	-
Smith (#1)	-	140,637	12,728	9,275	3,000
Alvis (#2)	-	44,657	6,018	3,958	-
Hall (#7)	-	206,986	11,496	9,131	-
Phillips (#10)	-	69,550	10,439	8,201	-
Woolsey (#100)	5,275	153,898	8,291	9,296	-
Lloyd (#111)	-	271,997	48,855	32,861	-
Laffoon (#122)	-	34,378	13,593	7,703	-
Holtkamp (#133)	-	34,640	13,919	7,843	-
Woelfel (#135)	-	435,183	90,530	45,803	6,000
Broughton (#200)	39,349	153,470	-	36,370	16,500
Doolen (#401)	10,183	393,079	13,367	24,356	-
Humes (#501)	7,240	155,422	23,144	17,784	3,000
Hughes (#600)	39,250	129,511	-	28,738	-
Laffoon (#700)	3,484	12,206	-	3,217	-
Smith (#1)	-	43,115	3,523	3,104	-
Hund (#10)	6,385	230,986	14,571	19,086	-
Beckmeyer (#11)	-	17,209	5,265	3,274	-
Deering (#15)	-	81,610	9,847	6,068	-
Bierman (#29)	-	40,425	3,365	2,540	-
Snead (#49)	-	107,209	20,878	17,236	9,000
Brueggemann (#99)	21,416	182,793	-	18,973	25,000
Career and Tech Ed Sys	-	-	-	-	-
Hazel Hopkins	-	-	-	-	-
IL Funds Interest	-	-	-	-	-
<b>Totals</b>	<b>\$ 202,832</b>	<b>\$ 4,010,846</b>	<b>\$ 475,598</b>	<b>\$ 497,444</b>	<b>\$ 104,500</b>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES  
DISTRIBUTIVE FUND  
FOR THE YEAR ENDED JUNE 30, 2009

TREASURER	Title Programs	Technology Enhancing Ed	Art/Foreign Language	Early Childhood	TOTALS
Perez (#1)	\$ 272,466	\$ 1,121	\$ -	\$ 164,106	\$ 5,174,981
Bair (#3)	145,773	876	-	214,563	5,847,833
Nettemeier (#12)	90,351	1,156	-	62,373	2,157,678
Kohlbrecher (#14/15)	61,840	426	-	68,261	816,643
Kuper (#21)	6,903	-	-	127,922	1,414,177
Holtkamp (#46)	58,436	-	-	-	992,509
Toennies (#57)	10,457	-	-	-	720,532
Beckmann (#60)	13,330	91	-	30,609	1,193,594
Arentsen (#62)	6,379	-	-	-	490,008
Deimeke (#63)	19,857	348	-	72,487	756,722
Kampwerth (#71)	66,072	785	-	-	1,777,008
Holtkamp (#186)	48,487	-	-	-	734,584
Smith (#1)	73,466	504	100,000	-	1,678,851
Alvis (#2)	33,458	277	-	-	665,369
Hall (#7)	45,030	579	-	-	1,689,772
Phillips (#10)	34,052	236	-	-	1,119,394
Woolsey (#100)	37,294	384	-	-	1,051,719
Lloyd (#111)	319,045	2,573	-	-	5,404,978
Laffoon (#122)	88,200	700	-	74,873	1,509,100
Holtkamp (#133)	108,459	773	-	-	1,488,421
Woelfel (#135)	754,619	6,577	-	-	8,948,415
Broughton (#200)	374,876	125,057	-	-	5,665,922
Doolen (#401)	275,759	3,986	-	-	3,918,705
Humes (#501)	227,988	1,829	-	68,556	3,741,778
Hughes (#600)	163,456	1,155	83,027	-	4,133,322
Laffoon (#700)	3,365	209	-	-	534,420
Smith (#1)	2,538	-	-	-	429,362
Hund (#10)	64,531	597	-	-	2,265,784
Beckmeyer (#11)	41,219	-	-	-	512,623
Deering (#15)	79,221	539	-	-	897,898
Bierman (#29)	4,535	-	-	-	328,140
Snead (#49)	76,748	467	-	120,140	1,587,518
Brueggemann (#99)	84,860	-	-	-	2,330,819
Career and Tech Ed Sys	-	-	-	-	516,736
Hazel Hopkins	-	-	-	-	5,551,442
IL Funds Interest	-	-	-	-	-
Totals	<u>\$ 3,693,070</u>	<u>\$ 151,245</u>	<u>\$ 183,027</u>	<u>\$ 1,003,890</u>	<u>\$ 78,046,757</u>