



State of Illinois
DeKALB COUNTY REGIONAL
OFFICE OF EDUCATION NO. 16
FINANCIAL AUDIT
For the Year Ended June 30, 2008

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

**DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
TABLE OF CONTENTS**

	PAGE
OFFICIALS	1
FINANCIAL REPORT SUMMARY	2
FINANCIAL STATEMENT REPORT SUMMARY	3
FINANCIAL SECTION	
Independent Auditor's Report	4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	6
Schedule of Findings and Questioned Costs	8
Corrective Action Plan for Current Year Audit Findings	12
Summary Schedule of Prior Audit Findings	14
Management's Discussion and Analysis	15
BASIC FINANCIAL STATEMENTS	25
	EXHIBIT
Government-wide Financial Statements:	
Statement of Net Assets	A 26
Statement of Activities	B 27
Governmental Fund Financial Statements:	
Balance Sheet - Governmental Funds	C 28
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	D 29
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	E 30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities Governmental Funds	F 31
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Assets - Fiduciary Funds	G 32
Notes to Financial Statements	33

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16

TABLE OF CONTENTS (Continued)

	PAGE
OTHER SUPPLEMENTAL INFORMATION	42
	SCHEDULE
Education Fund Accounts:	
Combining Schedule of Accounts..... 1.....	43
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	2..... 45
Budgetary Comparison Schedule - Education Fund Accounts	3..... 47
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	4..... 49
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	5..... 50
Fiduciary Funds:	
Combining Statement of Fiduciary Net Assets - Agency Funds	6..... 51
Combining Statement of Changes - Assets and Liabilities - Agency Funds	7..... 52
Schedule of Disbursements to Other Entities - Distributive Fund.....	8..... 54

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16

OFFICIALS

Regional Superintendent
(current and during the audit period)

Mr. Gilbert E. Morrison, Jr.

Assistant Regional Superintendent
(current and during the audit period)

Ms. Tatia L. Beckwith

Office is located at:

2500 N. Annie Glidden Road, Suite C
DeKalb, Illinois 60115

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16

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.

AUDITOR’S REPORTS

The auditor’s 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	2	1
Repeated audit findings	1	0
Prior recommendations implemented or not repeated	0	3

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

An additional 2 matters which are less than a significant deficiency or material weakness but more than inconsequential, have been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, these issues may have been included as immaterial findings in the auditors’ reports.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
08-1	9-10	Controls Over Financial Statement Preparation	Significant Deficiency
08-2	11	Inaccurate Expenditure Report	Significant Deficiency

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

None

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference held orally on September 24, 2008. Attending were Mr. Gilbert E. Morrison, Jr., Regional Superintendent, Donna Milburn, bookkeeper, and Joe Hoerschelmann, auditor, from Clifton Gunderson LLP. Responses to the recommendations were provided by Mr. Gilbert E. Morrison, Jr., Regional Superintendent on January 6, 2009.

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of DeKalb County Regional Office of Education No. 16 was performed by Clifton Gunderson LLP.

Based on their audit, the auditors expressed an unqualified opinion on DeKalb County Regional Office of Education No. 16'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, each major fund, and the aggregate remaining fund information of the DeKalb County Regional Office of Education No. 16, as of and for the year ended June 30, 2008, which collectively comprise the DeKalb County Regional Office of Education No. 16's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the DeKalb County Regional Office of Education No. 16'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, each major fund, and the aggregate remaining fund information of the DeKalb County Regional Office of Education No. 16, as of June 30, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2009, on our consideration of the DeKalb County Regional Office of Education No. 16'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 on pages 15 through 24 is not a required part of the basic financial statements but is supplemental information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DeKalb County Regional Office of Education No. 16's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to Other Entities - Distributive Fund 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, budgetary comparison schedules, and Schedule of Disbursements to Other Entities - Distributive Fund 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.

Clifton Gunderson LLP

Clinton, Iowa
July 1, 2009

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the DeKalb County Regional Office of Education No. 16, as of and for the year ended June 30, 2008, which collectively comprise the DeKalb County Regional Office of Education No. 16's basic financial statements and have issued our report thereon dated July 1, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the DeKalb County Regional Office of Education No. 16'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 DeKalb County Regional Office of Education No. 16's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the DeKalb County Regional Office of Education No. 16's internal control over financial reporting.

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

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting, 08-1 and 08-2.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the DeKalb County Regional Office of Education No. 16'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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 08-2.

We also noted certain matters which we have reported to management of the DeKalb County Regional Office of Education No. 16 in a separate letter dated July 1, 2009.

DeKalb County Regional Office of Education No. 16's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit DeKalb County Regional Office of Education No. 16's responses and, accordingly, we express no opinion on them.

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, the 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.

Clifton Henderson LLP

Clinton, Iowa
July 1, 2009

**DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

Section I: Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: _____ Unqualified _____

Internal control over financial reporting:

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

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

Section II: Findings Related to the Basic Financial Statements:

FINDING NO. 08-1 - Controls Over Financial Statement Preparation (Repeat from 2007 – No. 07-1)

Criteria/Specific Requirement:

The Regional Office of Education No. 16 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Regional Office of Education No. 16 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not maintain adequate internal controls over the processing of all financial transactions and numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles. Because of this condition, the Regional Office does not have the ability to prepare accrual-basis financial reports.
- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable or accounts payable.

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.

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

Section II: Findings Related to the Basic Financial Statements:

FINDING NO. 08-1 - Controls Over Financial Statement Preparation (Repeat from 2007 – No. 07-1) (continued)

Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education No. 16 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 No. 16 engaged an accounting firm to prepare a program that allows for internal preparation and review of financial statements. These procedures must be performed internally because the added expense of hiring properly trained individuals is cost prohibitive for a small entity such as the ROE. Funding for ROE services is extremely tight, and paying for a service such as noted would take away from the funds available to provide educational services for the schools in the region. The Regional Office will continue to do the best it can with the limited resources available.

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

Section II: Findings Related to the Basic Financial Statements:

FINDING NO. 08-2 - Inaccurate Expenditure Report

Criteria/Specific Requirement:

Amounts submitted on grant expenditure reports to the Illinois State Board of Education should be in agreement with the general ledger.

Condition:

Regional Office of Education No. 16 did not report expenditures properly for the Alternative Education Program. The amounts reported for salaries and benefits were understated on the expenditure report by \$2,424. The amount reported for supplies was understated by \$16 while purchased services were overstated by \$2,440. In total, the level of expenditures reported agreed to the general ledger.

Effect:

The expenditure report that was submitted did not accurately reflect the activity of the period.

Cause:

This condition exists because the Regional Office of Education No. 16 has insufficient expenditure report review procedures established.

Recommendation:

The Regional Office of Education No. 16's management should review expenditure reports and their supporting documentation to ensure they are properly classified and reported.

Management's Response:

The Regional Office of Education No. 16 will review expenditure reports and their supporting documents more closely to ensure they are properly classified and reported. The budget for the program in question was amended and accepted by ISBE on May 30, 2008, and reflects the items in question.

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
June 30, 2008

FINDING NO. 08-1 - Controls Over Financial Statement Preparation (Repeat from 2007 – No. 07-1)

Condition:

The Regional Office of Education No. 16 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not maintain adequate internal controls over the processing of all financial transactions and numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles. Because of this condition, the Regional Office does not have the ability to prepare accrual-basis financial reports.
- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable or accounts payable.

Plan:

The Regional Office of Education No. 16 engaged an accounting firm to prepare a program that allows for internal preparation and review of financial statements. These procedures must be performed internally because the added expense of hiring properly trained individuals is cost prohibitive for a small entity such as the ROE. Funding for ROE services is extremely tight, and paying for a service such as noted would take away from the funds available to provide educational services for the schools in the region. The Regional Office will continue to do the best it can with the limited resources available.

Anticipated Completion Date:

Immediately

Contact Person Responsible for Corrective Action:

Mr. Gilbert E. Morrison, Jr., Regional Superintendent

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
June 30, 2008

FINDING NO. 08-2 - Inaccurate Expenditure Report

Condition:

Regional Office of Education No. 16 did not report expenditures properly for the Alternative Education Program. The amounts reported for salaries and benefits were understated on the expenditure report by \$2,424. The amount reported for supplies was understated by \$16 while purchased services were overstated by \$2,440. In total, the level of expenditures reported agreed to the general ledger.

Plan:

The Regional Office of Education No. 16 will review expenditure reports and their supporting documents more closely to ensure they are properly classified and reported.

Anticipated Completion Date:

Immediately

Contact Person Responsible for Corrective Action:

Mr. Gilbert E. Morrison, Jr., Regional Superintendent

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2008

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
07-1	Controls Over Financial Statement Preparation	Repeated

MANAGEMENT'S DISCUSSION AND ANALYSIS

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

DeKalb County Regional Office of Education No. 16 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2008. We encourage readers to consider this information in conjunction with DeKalb County Regional Office of Education No. 16's financial statements, which follow.

2008 FINANCIAL HIGHLIGHTS

- Institute Fund revenues increased from \$283,231 in fiscal year 2007 to \$356,498 in fiscal year 2008, and Institute Fund expenditures increased from \$289,295 in fiscal year 2007 to \$344,520 in fiscal year 2008. DeKalb County Regional Office of Education No. 16's Institute Fund balance increased from \$60,842 in fiscal year 2007 to \$72,820 in fiscal year 2008.
- The increase in Institute Fund revenues was attributable to an increase in the on-behalf payments received as well as an increase in certificate registrations (regular teaching certificates and substitute teaching certificates).
- The General Educational Development Fund revenues increased from \$5,766 in 2007 to \$6,538 in 2008. This increase is primarily due to more people registering for GED testing. Expenditures increased only slightly from \$3,485 in 2007 to \$3,657 in 2008.
- The Education Fund revenues decreased from \$583,268 in 2007 to \$578,954 in 2008. Expenditures decreased from \$583,099 in 2007 to \$578,024 in 2008. This decrease is primarily due to a decrease in the student population in the Regional Safe School Program, which resulted in less General State Aid.

USING THIS ANNUAL REPORT

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of DeKalb County Regional Office of Education No. 16'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 DeKalb County Regional Office of Education No. 16 as a whole and present an overall view of DeKalb County Regional Office of Education No. 16's finances.

The Fund Financial Statements show how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report DeKalb County Regional Office of Education No. 16's operations in more detail than the government-wide statements by providing information about the most significant funds.

**DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

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

Other Supplemental Information provides detailed information about the Education Fund grants in detail, and the nonmajor special revenue funds.

Summarized below are the major features of DeKalb County Regional Office of Education No. 16's financial statements, including the portion of DeKalb County Regional Office of Education No. 16's activities they cover and the types of information they contain.

	<u>Government-wide Statements</u>	<u>Fund Statements</u>	
		<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire DeKalb County Regional Office of Education No. 16	The activities of DeKalb County Regional Office of Education, such as Institute, General Educational Development, and Education	Instances in which Regional Office of Education No. 16 administers resources on behalf of someone else, such as the distributive fund
Required financial statements	Statement of Net Assets Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Fiduciary Net Assets Statement of Changes in Fiduciary Net Assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All additions and deductions during the year, regardless of when cash is received or paid

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

REPORTING DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about DeKalb County Regional Office of Education No. 16 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of DeKalb County Regional Office of Education No. 16's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report DeKalb County Regional Office of Education No. 16's net assets and how they have changed. Net assets - the difference between DeKalb County Regional Office of Education No. 16's assets and liabilities - are one way to measure DeKalb County Regional Office of Education No. 16's financial health or financial position. Over time, increases or decreases in DeKalb County Regional Office of Education No. 16's net assets are an indicator of whether financial position is improving or deteriorating. To assess DeKalb County Regional Office of Education No. 16's overall health, additional non-financial factors, such as changes in DeKalb County Regional Office of Education No. 16's community and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, DeKalb County Regional Office of Education No. 16's activities are in one category:

- *Governmental activities:* All of DeKalb County Regional Office of Education No. 16's basic services are included here, such as grants and teacher certifications. Federal and state grants and local programs finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about DeKalb County Regional Office of Education No. 16's funds, focusing on its most significant or "major" funds - not DeKalb County Regional Office of Education No. 16 as a whole. Funds are accounting devices DeKalb County Regional Office of Education No. 16 uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law. DeKalb County Regional Office of Education No. 16 establishes other funds to control and manage money for particular purposes, such as accounting for special revenue funds, or to show that it is properly using certain revenues, such as federal grants.

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

DeKalb County Regional Office of Education No. 16 has two kinds of funds:

1) *Governmental funds*: All of DeKalb County Regional Office of Education No. 16's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance DeKalb County Regional Office of Education No. 16's programs.

DeKalb County Regional Office of Education No. 16's governmental funds include Institute Fund, General Educational Development Fund, Bus Permit Fund, Supervisory Fund, and Education Fund.

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

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

2) *Fiduciary funds*: DeKalb County Regional Office of Education No. 16 is the trustee for assets that belong to others. These funds include Agency Funds. Agency Funds are funds through which DeKalb County Regional Office of Education No. 16 administers and accounts for certain federal and/or state grants on behalf of others.

DeKalb County Regional Office of Education No. 16 is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. DeKalb County Regional Office of Education No. 16 excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of DeKalb County Regional Office of Education No. 16, assets exceeded liabilities by \$103,524 as of June 30, 2008.

The Government-wide statements also include \$43,006 in liabilities consisting of accounts payable and amounts due to other governments.

DeKalb County Regional Office of Education No. 16's financial position is the product of several financial transactions including the net results of activities.

**DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

The following table presents a summary of DeKalb County Regional Office of Education No. 16's net assets for the fiscal years ended June 30, 2008 and 2007.

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Current assets	\$ 146,530	\$ 100,429
Current liabilities	<u>43,006</u>	<u>12,520</u>
Net assets		
Unrestricted	30,704	27,067
Restricted for teacher professional development	<u>72,820</u>	<u>60,842</u>
Total net assets	<u>\$ 103,524</u>	<u>\$ 87,909</u>

The largest portion of DeKalb County Regional Office of Education No. 16's net assets is restricted for teacher professional development. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, was \$30,704 and \$27,067 at June 30, 2008 and 2007, respectively. In addition, net assets related to the Institute Fund are considered restricted for teacher professional development.

Changes in net assets. DeKalb County Regional Office of Education No. 16's total revenues for the fiscal years ended June 30, 2008 and 2007 were \$945,770 and \$876,366, respectively. The total cost of all programs and services for 2008 and 2007 was \$930,155 and 878,638, respectively. The following tables present a summary of the changes in net assets for the fiscal years ended June 30, 2008 and 2007.

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Revenues:		
Program revenues:		
Charges for services	\$ -	\$ 51,427
Operating grants and contributions	565,881	585,059
General revenues:		
Local sources	89,097	8,076
State sources	13,533	-
On-behalf payments	<u>277,259</u>	<u>231,804</u>
Total revenues	<u>945,770</u>	<u>876,366</u>
Expenses:		
Education:		
Salaries and benefits	113,195	-
Purchased services	365,556	476,964
Supplies and materials	5,465	3,840
Payments to other governments	168,680	166,030
Administrative:		
On-behalf payments	<u>277,259</u>	<u>231,804</u>
Total expenses	<u>930,155</u>	<u>878,638</u>
Change in net assets	15,615	(2,272)
Beginning net assets	<u>87,909</u>	<u>90,181</u>
Ending net assets	<u>\$ 103,524</u>	<u>\$ 87,909</u>

Operating grants and contributions account for 60% and 67% of the total revenue for June 30, 2008 and 2007, respectively. DeKalb County Regional Office of Education No. 16's expenses primarily relate to education which accounts for 70% and 74% of the total expenses for June 30, 2008 and 2007, respectively.

**DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

Governmental Activities

Revenues for governmental activities were \$945,770 and \$876,366 and expenses were \$930,155 and \$878,638 for 2008 and 2007, respectively.

The following table presents the cost of DeKalb County Regional Office of Education No. 16's functional governmental activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and DeKalb County Regional Office of Education No. 16's community by each of these functions.

2008

	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Education		
Salaries and benefits	\$ 113,195	\$ (15,086)
Purchased services	365,556	(48,720)
Supplies and materials	5,465	(728)
Payments to other governments	168,680	(22,481)
Administrative		
On-behalf payments	<u>277,259</u>	<u>(277,259)</u>
Total expenses	<u>\$ 930,155</u>	<u>\$ (364,274)</u>

- The cost of all governmental activities this year was \$930,155.
- Operating grants and contributions subsidized certain governmental activities with grants and contributions and other local revenues of \$565,881.

Net cost of governmental activities (\$364,274), was financed by local sources, state sources, and on-behalf payments that are not directly associated with the functions and objects above.

**DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

2007

	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Education		
Purchased services	\$ 476,964	\$ (6,508)
Supplies and materials	3,840	(3,840)
Payments to other governments	166,030	-
Administrative		
On-behalf payments	231,804	(231,804)
Total expenses	\$ 878,638	\$ (242,152)

- The cost of all governmental activities this year was \$878,638.
- Charges for services and operating grants and contributions subsidized certain governmental activities with grants and contributions and other local revenues of \$636,486.

Net cost of governmental activities (\$242,152), was financed by local sources and on-behalf payments that are not directly associated with the functions and objects above.

INDIVIDUAL FUND ANALYSIS

As previously noted, DeKalb County Regional Office of Education No. 16 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of DeKalb County Regional Office of Education No. 16 as a whole is reflected in its governmental funds, as well. As DeKalb County Regional Office of Education No. 16 completed the year, its governmental funds reported a combined fund balance of \$103,524, above last year's ending fund balance of \$87,909.

Governmental Fund Highlights

- The Institute Fund fund balance increased from \$60,842 in 2007 to \$72,820 in 2008, which is due to teacher certificate registrations.
- The General Educational Development Fund balance increased from \$21,520 in 2007 to \$24,401 in 2008 due to more people registering for GED testing.
- The Education Fund balance realized a small increase from \$277 in 2007 to \$1,207 in 2008.

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

BUDGETARY HIGHLIGHTS

DeKalb County Regional Office of Education No. 16 is not required to create a budget for overall operations. They are required to prepare budgets for four grants including Early Childhood Grant, Regional Safe Schools Grant, Alternative Education, and Learn and Serve America.

ECONOMIC FACTORS BEARING ON DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16'S FUTURE

At the time these financial statements were prepared and audited, DeKalb County Regional Office of Education No. 16 was aware of several existing circumstances that could significantly affect its financial health in the future:

The DeKalb County Regional Office of Education #16 operations rely heavily on the state budget, which is unstable and insufficient. Because of this instability, ROE operations have been decreased or level-funded.

CONTACTING DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16'S FINANCIAL MANAGEMENT

This financial report is designed to provide DeKalb County Regional Office of Education No. 16's citizens, taxpayers, customers and creditors with a general overview of DeKalb County Regional Office of Education No. 16's finances and to demonstrate DeKalb County Regional Office of Education No. 16's accountability for the money it receives. If you have questions about this report or need additional financial information, contact DeKalb County Regional Office of Education No. 16, 2500 N. Annie Glidden Road, Suite C, DeKalb, IL 60115.

BASIC FINANCIAL STATEMENTS

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
STATEMENT OF NET ASSETS
June 30, 2008

	<u>Primary Government Governmental Activities</u>
ASSETS	
Cash	\$ 144,963
Governmental grants receivable	<u>1,567</u>
Total assets	<u>146,530</u>
LIABILITIES	
Accounts payable	38,098
Due to other governments	<u>4,908</u>
Total liabilities	<u>43,006</u>
NET ASSETS	
Unrestricted	30,704
Restricted for teacher professional development	<u>72,820</u>
Total net assets	<u>\$ 103,524</u>

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

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
 STATEMENT OF ACTIVITIES
 Year Ended June 30, 2008

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Revenues</u> Operating Grants and Contributions	<u>Net (Expenses)</u> <u>Revenues and</u> <u>Changes in</u> <u>Net Assets</u> <u>Primary</u> <u>Governmental</u> <u>Activities</u>
Primary government:			
Governmental activities:			
Education:			
Salaries and benefits	\$ 113,195	\$ 98,109	\$ (15,086)
Purchased services	365,556	316,836	(48,720)
Supplies and materials	5,465	4,737	(728)
Payments to other governments	168,680	146,199	(22,481)
Administrative:			
On-behalf payments	277,259	-	(277,259)
Total primary government	<u>\$ 930,155</u>	<u>\$ 565,881</u>	<u>(364,274)</u>
General revenues:			
Local sources			89,097
State sources			13,533
On-behalf payments			<u>277,259</u>
Total general revenues			<u>379,889</u>
CHANGES IN NET ASSETS			15,615
NET ASSETS, BEGINNING OF YEAR			<u>87,909</u>
NET ASSETS, END OF YEAR			<u>\$ 103,524</u>

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

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2008

		General					
	Institute	Educational	Education	Other	Total		
	Fund	Development	Fund	Nonmajor	Governmental		
	Fund	Fund	Fund	Funds	Funds		
ASSETS							
Cash	\$ 75,575	\$ 24,401	\$ 39,434	\$ 5,553	\$ 144,963		
Governmental grants receivable	-	-	1,567	-	1,567		
TOTAL ASSETS	\$ 75,575	\$ 24,401	\$ 41,001	\$ 5,553	\$ 146,530		
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 2,755	-	\$ 35,343	-	\$ 38,098		
Due to other governments	-	-	4,451	457	4,908		
Total liabilities	2,755	-	39,794	457	43,006		
FUND BALANCES							
Unreserved, reported in:							
Special revenue funds	72,820	24,401	1,207	5,096	103,524		
TOTAL LIABILITIES AND FUND BALANCES	\$ 75,575	\$ 24,401	\$ 41,001	\$ 5,553	\$ 146,530		

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

**DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2008**

Total fund balances - governmental funds (page 28)	\$ 103,524
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
No changes	<u> -</u>
Net assets of governmental activities (page 26)	<u><u>\$ 103,524</u></u>

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

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2008

	Institute <u>Fund</u>	General Educational Development <u>Fund</u>	Education <u>Fund</u>	Other Nonmajor <u>Funds</u>	Total Governmental <u>Funds</u>
REVENUES					
Local sources	\$ 79,239	\$ 6,538	\$ 1,500	\$ 1,820	\$ 89,097
State sources	-	-	561,454	1,960	563,414
Federal sources	-	-	16,000	-	16,000
On-behalf payments	277,259	-	-	-	277,259
Total revenues	<u>356,498</u>	<u>6,538</u>	<u>578,954</u>	<u>3,780</u>	<u>945,770</u>
EXPENDITURES					
Education:					
Salaries and benefits	-	-	113,195	-	113,195
Purchased services	67,261	-	294,341	3,954	365,556
Supplies and materials	-	3,657	1,808	-	5,465
Payments to other governments	-	-	168,680	-	168,680
On-behalf payments	277,259	-	-	-	277,259
Total expenditures	<u>344,520</u>	<u>3,657</u>	<u>578,024</u>	<u>3,954</u>	<u>930,155</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	11,978	2,881	930	(174)	15,615
FUND BALANCE, BEGINNING OF YEAR	<u>60,842</u>	<u>21,520</u>	<u>277</u>	<u>5,270</u>	<u>87,909</u>
FUND BALANCE, END OF YEAR	<u>\$ 72,820</u>	<u>\$ 24,401</u>	<u>\$ 1,207</u>	<u>\$ 5,096</u>	<u>\$ 103,524</u>

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

**DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2008**

Net change in fund balances (page 30)	\$ 15,615
--	-----------

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

No changes	<u> -</u>
------------	----------------------------

Change in net assets of governmental activities (page 27)	<u><u>\$ 15,615</u></u>
--	-------------------------

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

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2008

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 1,398
Due from others	<u>1,074</u>
TOTAL ASSETS	<u>\$ 2,472</u>
LIABILITIES	
Due to future scholarships	\$ 2,082
Due to other governmental agencies	<u>390</u>
TOTAL LIABILITIES	<u>\$ 2,472</u>

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

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The DeKalb County Regional Office of Education No. 16 was created when an Educational Service Region became a Regional Office of Education on August 7, 1995. The DeKalb County Regional Office of Education No. 16 operates under the School Code (105 ILCS 5/3 and 5/3A). The Regional Office of Education encompasses DeKalb County, Illinois. A Regional Superintendent of Schools serves as Chief Administrative Officer of DeKalb County Regional Office of Education No. 16 and is elected pursuant to 105 ILCS 5/3 and 5/3A of the School Code. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

The functions of the DeKalb County Regional Office of Education No. 16 include, but are not limited to the following:

- Processing teachers' certificates
- Teaching initial and refresher classes for school bus drivers within DeKalb County Regional Office of Education No. 16
- Review life/safety requirements for schools in conjunction with the State of Illinois
- Issuing newsletters regarding new Illinois life/safety requirements
- Monitoring compliance with State laws and Department of Education policies and procedures
- Providing directions to teachers and school officials on science, art and teaching methods
- Implementing the State Board of Education's Policy Programs
- Encouraging camaraderie among teachers through the teachers' institute

The DeKalb County Regional Office of Education No. 16's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental agencies of this type.

Principles Used to Determine the Scope of the Reporting Entity

The DeKalb County Regional Office of Education No. 16's reporting entity includes all related organizations for which it exercises oversight responsibility.

The DeKalb County Regional Office of Education No. 16 has developed criteria to determine whether outside agencies with activities which benefit the citizens of DeKalb County Regional Office of Education No. 16, including joint agreements which serve pupils from numerous school districts, should be included within its financial reporting entity. The criteria include but are not limited to, whether DeKalb County Regional Office of Education No. 16 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.

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Regional Superintendent has determined that no outside agency meets the above criteria and, therefore, no agency has been included as a component unit in the Regional Superintendent's financial statements. In addition, the Regional Superintendent is not aware of any entity which would exercise such oversight which would result in the Regional Superintendent being considered a component unit of the entity.

Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the activities of DeKalb County Regional Office of Education No. 16. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by intergovernmental and local revenues.

The Statement of Net Assets presents DeKalb County Regional Office of Education No. 16's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in the following categories:

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

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

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

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

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DeKalb County Regional Office of Education No. 16 reports the following major governmental funds:

Institute - to account for the stewardship of the assets held in trust for the benefit of the teachers. Fees are collected from registration of teachers' certificates of qualification. Monies are expended to conduct teachers' institutes, conferences, and workshops. All funds generated remain restricted until expended only on the aforementioned activities.

General Educational Development - to account for the administration of the general educational development testing program. Revenues are received from testing and diploma fees.

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

Early Childhood Grant - used to account for grant monies received for, and payment of, expenses for developing and operating programs for parents of young children.

Regional Safe Schools Grant - used to account for a grant that provides additional staff and materials for the alternative schools in the region.

General State Aid - used to account for monies received for, and payment of, expenses for general operations of alternative schools in the region.

Alternative Education - used to account for a grant that provides for funding for the alternative schools within the region.

Learn and Serve America - used to account for grant monies received for, and expenditures incurred associated with the Learn and Serve America program.

Children and Family Services - used to provide on-line classes for middle school students to ensure they pass all of the required classes to graduate middle school and attend high school.

McKinney Homeless Grant - used to account for grant monies received for, and payment of, expenses for programs for educating homeless children.

Community Works - used to provide workshops for workforce development.

DeKalb County Regional Office of Education No. 16 reports the following nonmajor governmental funds:

Bus Permit - to account for the stewardship of the assets held in trust in connection with the Bus Driver Training Program.

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fiduciary Funds

Agency Funds - The Agency Funds are used to account for assets held by DeKalb County Regional Office of Education No. 16 as an agency for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Distributive - State and federal funds are distributed by the Illinois State Board of Education. DeKalb County Regional Office of Education No. 16 is responsible for forwarding these monies to local school districts and others in DeKalb County.

Scholarship - the source of this account is a bequest. Funds are to be used for scholarships.

Board of Trustees - the source of this account is from the petitions of citizens wishing to change school districts.

Outreach Workers - the source of this fund is a local school district in DeKalb County. Funds are collected from the local school districts then paid to DeKalb County to help fund a Truancy Outreach Worker in DeKalb County.

Measurement Focus and Basis of Accounting

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

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

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the DeKalb County Regional Office of Education No. 16.

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DeKalb County Regional Office of Education No. 16 records on-behalf payments made by the State to the Teachers' Retirement System as revenue and expenditures.

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

Under the terms of grant agreements, DeKalb County Regional Office of Education No. 16 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is DeKalb County Regional Office of Education No. 16's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

DeKalb County Regional Office of Education No. 16 maintains its financial records on the cash basis. The financial statements of DeKalb County Regional Office of Education No. 16 are prepared by making memorandum adjusting entries to the cash basis financial records.

Assets, Liabilities and Fund Equity

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

Cash - The cash balances of DeKalb County Regional Office of Education No. 16 are valued at cost.

Governmental grants receivable - Governmental grants receivable represents amounts due from the Illinois State Board of Education.

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

Capital Assets

Capital assets were acquired using the governmental resources of DeKalb County; therefore, the existing balance of capital assets will not be presented.

Budgets and Budgetary Accounting

DeKalb County Regional Office of Education No. 16 does not adopt a formal budget for all revenues and expenditures of the governmental funds, nor are they legally required to do so. The Early Childhood Grant, Regional Safe Schools Grant, Alternative Education, and Learn and Serve America are administered by DeKalb County Regional Office of Education No. 16 and are subject to budget approval by the State of Illinois.

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Salaries and Expenses

The Regional Superintendent and Assistant Superintendent's salaries are paid by the State of Illinois; all other employees are paid by the County of DeKalb. All certified personnel participate in the Teachers' Retirement System of the State of Illinois and others participate in the Illinois Municipal Retirement Fund with the contributions being paid by the County of DeKalb. Information about these retirement plans can be found in the basic financial statements of DeKalb County.

Intergovernmental Agreement

On August 7, 1992, DeKalb County Regional Office of Education No. 16 entered into an Intergovernmental Agreement executed pursuant to the provisions of the Intergovernmental Cooperation Clause of the Illinois Constitution as well as the provisions of the Intergovernmental Cooperation Act of 1973 and the Illinois Admin. Code 525.110. The name of the Educational Service delivery system formed is known as the Kishwaukee Intermediate Delivery System, (KIDS). Membership in KIDS is made up of the following Regional Offices of Education: Boone-Winnebago, DeKalb, and McHenry. The Boone-Winnebago ROE was designated as Administrative Agent.

NOTE 2 - DEPOSITS AND INVESTMENTS

The deposit and investment of monies is governed by the provisions of the Illinois Compiled Statutes. At June 30, 2008, the carrying amount of the deposits was \$146,361 and the bank balance was \$164,389.

Deposits

Custodial credit risk - Custodial credit risk is the risk that in the event of a bank failure, DeKalb County Regional Office of Education No. 16's deposits may not be returned. DeKalb County Regional Office of Education No. 16 does not have a deposit policy for custodial credit risk. As of June 30, 2008, all of DeKalb County Regional Office of Education No. 16's deposits were covered by either FDIC insurance or collateral held by the bank in the name of DeKalb County Regional Office of Education No. 16.

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

DeKalb County Regional Office of Education No. 16 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, 2008, DeKalb County Regional Office of Education No. 16 had investments with carrying and fair values of \$1,014 invested in the Illinois Funds Money Market Fund.

Credit risk - At June 30, 2008, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM 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 provisions 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 Fund 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 Fund 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.

NOTE 3 - PENSIONS

All employees are paid by DeKalb County or the State of Illinois; therefore, no provision or funding for pension costs is required.

NOTE 4 - DISPOSITION OF DISTRIBUTIVE FUND INTEREST

Revenues are partially derived from interest on deposits of the various funds under the jurisdiction of DeKalb County Regional Office of Education No. 16. A substantial portion of these interest earnings have been earned on monies which are passed through from the Illinois State Board of Education to the various school districts within the County of DeKalb.

Illinois Compiled Statutes require that interest earned by a public agency on investments of funds held for, but owned by, another public agency shall be credited to the public agency for which the investment is made; i.e. the owner of the funds.

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 4 - DISPOSITION OF DISTRIBUTIVE FUND INTEREST (CONTINUED)

Per an intergovernmental agreement between DeKalb County Regional Office of Education No. 16 and the school districts, 80% of distributive fund interest earned is remitted to the school districts and 20% is retained by DeKalb County Regional Office of Education No. 16.

NOTE 5 - ON-BEHALF PAYMENTS

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

A breakdown of the on-behalf payments for the Regional Superintendent, his first assistant, and the County employees are as follows:

Regional Superintendent - salary	\$ 101,218
Regional Superintendent - benefits (includes state paid insurance)	14,022
Assistant Regional Superintendent - salary	90,983
Assistant Regional Superintendent - benefits (includes state paid insurance)	<u>13,337</u>
Total State of Illinois on-behalf payments	<u>219,560</u>
County employees - salaries	44,050
County employees - benefits	<u>13,649</u>
Total DeKalb County on-behalf payments	<u>57,699</u>
Total on-behalf payments	<u>\$ 277,259</u>

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. Salary and benefit data for the County employees was calculated based on data provided by the DeKalb County Regional Office of Education No. 16.

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 6 - DUE TO/FROM OTHER GOVERNMENTAL AGENCIES

The DeKalb County Regional Office of Education No. 16's Agency Fund has funds due to/from various other governmental units which consist of the following:

Due to Other Governmental Agencies

Illinois State Board of Education	\$ 3,562
Other local education agencies	<u>1,736</u>
Total	<u>\$ 5,298</u>

Due from Other Governmental Agencies

Illinois State Board of Education	<u>\$ 1,567</u>
-----------------------------------	-----------------

NOTE 7 - RISK MANAGEMENT

DeKalb County Regional Office of Education No. 16 is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. DeKalb County Regional Office of Education No. 16 assumes liability for any deductibles and claims in excess of coverage limitations. There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the year.

NOTE 8 - NEW PRONOUNCEMENT

In 2008, DeKalb County Regional Office of Education No. 16 adopted Governmental Accounting Standards Board (GASB) Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, and GASB Statement No. 50, *Pension Disclosures an amendment of GASB Statements No. 25 and No. 27*. The Regional Office of Education implemented these standards during the current year, however; they did not have a significant impact on the financial statements.

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

OTHER SUPPLEMENTAL INFORMATION

SCHEDULE 1

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 June 30, 2008

	Early Childhood Grant	Regional Safe Schools Grant	General State Aid	Alternative Education	Learn and Serve America
ASSETS					
Cash	\$ 15,517	\$ -	\$ 15,095	\$ 3,548	\$ -
Governmental grants receivable	<u>1,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55</u>
TOTAL ASSETS	<u>\$ 17,029</u>	<u>\$ -</u>	<u>\$ 15,095</u>	<u>\$ 3,548</u>	<u>\$ 55</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 13,321	\$ -	\$ 15,072	\$ 3,440	\$ 55
Due to other governments	<u>3,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	16,883	-	15,072	3,440	55
FUND BALANCES					
Fund balances, unreserved	<u>146</u>	<u>-</u>	<u>23</u>	<u>108</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,029</u>	<u>\$ -</u>	<u>\$ 15,095</u>	<u>\$ 3,548</u>	<u>\$ 55</u>

SCHEDULE 1
(CONTINUED)

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2008

	Children and Family Service <u>Grant</u>	McKinney Homeless <u>Grant</u>	Community Works <u>Works</u>	<u>Total</u>
ASSETS				
Cash	\$ 4,344	\$ -	\$ 930	\$ 39,434
Governmental grants receivable	-	-	-	1,567
TOTAL ASSETS	<u>\$ 4,344</u>	<u>\$ -</u>	<u>\$ 930</u>	<u>\$ 41,001</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 3,455	\$ -	\$ -	\$ 35,343
Due to other governments	889	-	-	4,451
Total liabilities	<u>4,344</u>	<u>-</u>	<u>-</u>	<u>39,794</u>
FUND BALANCES				
Fund balances, unreserved	-	-	930	1,207
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,344</u>	<u>\$ -</u>	<u>\$ 930</u>	<u>\$ 41,001</u>

SCHEDULE 2

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 June 30, 2008

	Early Childhood Grant	Regional Safe Schools Grant	General State Aid	Alternative Education	Learn and Serve America
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	85,247	168,680	176,665	123,407	-
Federal sources	-	-	-	-	8,000
Total revenues	<u>85,247</u>	<u>168,680</u>	<u>176,665</u>	<u>123,407</u>	<u>8,000</u>
EXPENDITURES					
Education:					
Salaries and benefits	-	-	-	113,195	-
Purchased services	85,247	-	176,665	8,676	7,728
Supplies and materials	-	-	-	1,536	272
Payments to other governments	-	168,680	-	-	-
Total expenditures	<u>85,247</u>	<u>168,680</u>	<u>176,665</u>	<u>123,407</u>	<u>8,000</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	146	-	23	108	-
FUND BALANCE, UNRESERVED, END OF YEAR	<u>\$ 146</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ 108</u>	<u>\$ -</u>

SCHEDULE 2
(CONTINUED)

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
June 30, 2008

	Children and Family Service <u>Grant</u>	McKinney Homeless <u>Grant</u>	Community Works <u>Works</u>	<u>Total</u>
REVENUES				
Local sources	\$ -	-	1,500	\$ 1,500
State sources	7,455	-	-	561,454
Federal sources	-	8,000	-	16,000
Total revenues	<u>7,455</u>	<u>8,000</u>	<u>1,500</u>	<u>578,954</u>
EXPENDITURES				
Education:				
Salaries and benefits	-	-	-	113,195
Purchased services	7,455	8,000	570	294,341
Supplies and materials	-	-	-	1,808
Payments to other governments	-	-	-	168,680
Total expenditures	<u>7,455</u>	<u>8,000</u>	<u>570</u>	<u>578,024</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	930	930
FUND BALANCE, BEGINNING OF YEAR	-	-	-	277
FUND BALANCE, UNRESERVED, END OF YEAR	\$ -	\$ -	\$ 930	\$ 1,207

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2008

	Early Childhood Grant			Regional Safe Schools Grant			Alternative Education				
	Budgeted Amounts		Variance with	Budgeted Amounts		Actual	Budgeted Amounts		Actual	Variance with	
	Original	Final	Final Budget	Original	Final	Amounts	Original	Final	Amounts	Final Budget	
REVENUES											
State sources	\$ 92,855	\$ 94,367	\$ (9,120)	\$ 168,680	\$ 168,680	\$ 168,680	\$ 123,407	\$ 123,407	\$ 123,407	\$ -	\$ -
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>92,855</u>	<u>94,367</u>	<u>(9,120)</u>	<u>168,680</u>	<u>168,680</u>	<u>168,680</u>	<u>123,407</u>	<u>123,407</u>	<u>123,407</u>	<u>-</u>	<u>-</u>
EXPENDITURES											
Education:											
Salaries and benefits	-	-	-	-	-	-	107,755	110,771	113,195	(2,424)	(2,424)
Purchased services	92,855	94,367	9,120	-	-	-	12,500	11,116	8,676	2,440	2,440
Supplies and materials	-	-	-	-	-	-	3,152	1,520	1,536	(16)	(16)
Payments to other governments	-	-	-	168,680	168,680	168,680	-	-	-	-	-
Total expenditures	<u>92,855</u>	<u>94,367</u>	<u>9,120</u>	<u>168,680</u>	<u>168,680</u>	<u>168,680</u>	<u>123,407</u>	<u>123,407</u>	<u>123,407</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OVER EXPENDITURES											
FUND BALANCE, BEGINNING OF YEAR											
FUND BALANCE, END OF YEAR	\$ 146	\$ 146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108	\$ 108

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2008

	Learn and Serve America			Total		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Final		Original	Final	
REVENUES						
State sources	\$ -	\$ -	\$ -	\$ 384,942	\$ 386,454	\$ 377,334
Federal sources	8,000	8,000	8,000	8,000	8,000	8,000
Total revenues	8,000	8,000	8,000	392,942	394,454	385,334
						\$ (9,120)
						(9,120)
EXPENDITURES						
Education:						
Salaries and benefits	-	-	-	107,755	110,771	113,195
Purchased services	7,750	7,728	7,728	113,105	113,233	101,651
Supplies and materials	250	250	272	3,402	1,770	1,808
Payments to other governments	-	-	-	168,680	168,680	168,680
Total expenditures	8,000	8,000	8,000	392,942	394,454	385,334
						9,120
						(2,424)
						11,582
						(38)
						-
						9,120
EXCESS OF REVENUES						
OVER EXPENDITURES						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE, BEGINNING OF YEAR						
						254
FUND BALANCE, END OF YEAR						\$ 254

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2008

	<u>Bus Permit</u>	<u>Supervisory</u>	<u>Total</u>
ASSETS			
Cash	\$ 4,694	\$ 859	\$ 5,553
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other governments	\$ 457	\$ -	\$ 457
FUND BALANCES			
Unreserved	4,237	859	5,096
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,694</u>	<u>\$ 859</u>	<u>\$ 5,553</u>

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
 Year Ended June 30, 2008

	Bus Permit	Supervisory	Total
REVENUES			
Local sources	\$ 1,820	\$ -	\$ 1,820
State sources	960	1,000	1,960
Total revenues	<u>2,780</u>	<u>1,000</u>	<u>3,780</u>
EXPENDITURES			
Education:			
Purchased services	<u>2,319</u>	<u>1,635</u>	<u>3,954</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	461	(635)	(174)
FUND BALANCE, BEGINNING OF YEAR	<u>3,776</u>	<u>1,494</u>	<u>5,270</u>
FUND BALANCE, END OF YEAR	<u>\$ 4,237</u>	<u>\$ 859</u>	<u>\$ 5,096</u>

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 June 30, 2008

	<u>Distributive</u>	<u>Scholarship</u>	Board of <u>Trustees</u>	<u>Outreach Workers</u>	<u>Total</u>
ASSETS					
Cash (overdraft)	\$ 254	\$ 2,082	\$ 136	\$ (1,074)	\$ 1,398
Due from others	-	-	-	1,074	1,074
TOTAL ASSETS	<u>\$ 254</u>	<u>\$ 2,082</u>	<u>\$ 136</u>	<u>\$ -</u>	<u>\$ 2,472</u>
LIABILITIES					
Due to future scholarships	\$ -	\$ 2,082	\$ -	\$ -	\$ 2,082
Due to other governmental agencies	254	-	136	-	390
TOTAL LIABILITIES	<u>\$ 254</u>	<u>\$ 2,082</u>	<u>\$ 136</u>	<u>\$ -</u>	<u>\$ 2,472</u>

**DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
COMBINING STATEMENT OF CHANGES - ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2008**

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
<u>Distributive</u>				
ASSETS				
Cash	\$ 254	\$ 545,910	\$ 545,910	\$ 254
LIABILITIES				
Due to other governmental agencies	\$ 254	\$ 545,910	\$ 545,910	\$ 254
 <u>Scholarship</u>				
ASSETS				
Cash	\$ 2,072	\$ 10	\$ -	\$ 2,082
LIABILITIES				
Due to future scholarships	\$ 2,072	\$ 10	\$ -	\$ 2,082
 <u>Board of Trustees</u>				
ASSETS				
Cash	\$ 136	\$ 1,200	\$ 1,200	\$ 136
LIABILITIES				
Due to other governmental agencies	\$ 136	\$ 1,200	\$ 1,200	\$ 136

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
COMBINING STATEMENT OF CHANGES - ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
<u>Outreach Workers</u>				
ASSETS				
Cash (overdraft)	\$ (1,074)	\$ -	\$ -	\$ (1,074)
Due from others	<u>1,074</u>	<u>-</u>	<u>-</u>	<u>1,074</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
None	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 <u>Totals</u>				
ASSETS				
Cash	\$ 1,388	\$ 547,120	\$ 547,110	\$ 1,398
Due from others	<u>1,074</u>	<u>-</u>	<u>-</u>	<u>1,074</u>
TOTAL ASSETS	<u>\$ 2,462</u>	<u>\$ 547,120</u>	<u>\$ 547,110</u>	<u>\$ 2,472</u>
LIABILITIES				
Due to future scholarships	\$ 2,072	\$ 10	\$ -	\$ 2,082
Due to other governmental agencies	<u>390</u>	<u>547,110</u>	<u>547,110</u>	<u>390</u>
TOTAL LIABILITIES	<u>\$ 2,462</u>	<u>\$ 547,120</u>	<u>\$ 547,110</u>	<u>\$ 2,472</u>

DeKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
 SCHEDULE OF DISBURSEMENTS TO OTHER ENTITIES - DISTRIBUTIVE FUND
 June 30, 2008

	<u>K.E.C.</u>
Career and Technical Ed Improvement	\$ 416,418
Agriculture Education	17,400
V.E. Perkins Title IIC - Secondary	<u>112,092</u>
TOTAL	<u>\$ 545,910</u>