

State of Illinois  
DEWITT, LIVINGSTON, AND  
MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
FINANCIAL AUDIT  
(In Accordance with the Single Audit Act  
and OMB Circular A-133)  
For the Year Ended June 30, 2007

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17**

**TABLE OF CONTENTS**

|   | <b>PAGE</b> |
|---|-------------|
| <b>OFFICIALS</b> .....  | 1           |
| <b>COMPLIANCE REPORT SUMMARY</b> .....  | 2           |
| <b>FINANCIAL STATEMENT REPORT SUMMARY</b> .....   | 4           |
| <b>INDEPENDENT AUDITOR'S REPORT</b> .....   | 5           |
| <b>INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER<br/>FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS<br/>BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED<br/>IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</b> ..... | 7           |
| <b>INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH<br/>REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM<br/>AND ON INTERNAL CONTROL OVER COMPLIANCE IN<br/>ACCORDANCE WITH OMB CIRCULAR A-133</b> .....  | 9           |
| Schedule of Findings and Questioned Costs .....   | 11          |
| Corrective Action Plan for Current Year Audit Findings .....  | 15          |
| Summary Schedule of Prior Audit Findings.....   | 16          |
| Management's Discussion and Analysis .....  | 17          |
| <b>BASIC FINANCIAL STATEMENTS</b> .....   | 32          |
| <b>EXHIBIT</b>  |             |
| Government-wide Financial Statements:   |             |
| Statement of Net Assets .....   | A ..... 33  |
| Statement of Activities.....  | B ..... 34  |
| Governmental Fund Financial Statements:   |             |
| Balance Sheet - Governmental Funds.....   | C ..... 35  |
| Reconciliation of the Governmental Funds Balance Sheet<br>to the Statement of Net Assets.....   | D ..... 36  |
| Statement of Revenues, Expenditures, and Changes in<br>Fund Balances - Governmental Funds .....   | E ..... 37  |
| Reconciliation of the Statement of Revenues, Expenditures, and<br>Changes in Fund Balances to the Statement of Activities<br>Governmental Funds.....  | F ..... 38  |

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17**

**TABLE OF CONTENTS (Continued)**

|   | <b>PAGE</b>     |
|---|-----------------|
| <b>BASIC FINANCIAL STATEMENTS (Continued)</b>   |                 |
|   | <b>EXHIBIT</b>  |
| Proprietary Fund Financial Statements:  |                 |
| Statement of Net Assets - Proprietary Funds ..... G .....   | 39              |
| Statement of Revenues, Expenses, and Changes in Fund<br>Net Assets - Proprietary Funds..... H .....                   | 40              |
| Statement of Cash Flows - Proprietary Funds..... I .....  | 41              |
| Fiduciary Fund Financial Statements:  |                 |
| Statement of Fiduciary Net Assets - Fiduciary Funds..... J .....  | 42              |
| Notes to Financial Statements .....   | 43              |
| <b>REQUIRED SUPPLEMENTAL INFORMATION .....</b>  | <b>63</b>       |
| Schedule of Funding Progress -<br>Illinois Municipal Retirement Fund (Unaudited) .....                                | 64              |
| <b>SUPPLEMENTAL INFORMATION.....</b>  | <b>65</b>       |
|   | <b>SCHEDULE</b> |
| General Fund Accounts:  |                 |
| Combining Schedule of Accounts..... 1 .....   | 66              |
| Combining Schedule of Revenues, Expenditures, and<br>Changes in Fund Balances .....                                   | 67              |
| Budgetary Comparison Schedule..... 3 .....  | 68              |
| Education Fund Accounts:  |                 |
| Combining Schedule of Accounts..... 4 .....   | 69              |
| Combining Schedule of Revenues, Expenditures, and<br>Changes in Fund Balances .....                                   | 77              |
| Education Fund Accounts - Budgetary Comparison Schedule .....   | 85              |
| Combining Balance Sheet - Nonmajor Special Revenue Funds..... 7 .....   | 89              |
| Combining Statement of Revenues, Expenditures, and<br>Changes in Fund Balances - Nonmajor Special Revenue Funds ..... | 90              |

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17**

**TABLE OF CONTENTS (Continued)**

|   | <b>PAGE</b>     |
|---|-----------------|
| <b>SUPPLEMENTAL INFORMATION (Continued)</b>   |                 |
|   | <b>SCHEDULE</b> |
| Fiduciary Funds:  |                 |
| Combining Statement of Fiduciary Net Assets -<br>Agency Funds .....                 | 9 ..... 91      |
| Combining Statement of Changes in Assets and Liabilities -<br>Agency Funds .....    | 10 ..... 92     |
| Schedule of Disbursements to School District Treasurers<br>and Other Entities ..... | 11 ..... 93     |
| Schedule of Expenditures of Federal Awards .....                                    | 12 ..... 94     |
| Notes to the Schedule of Expenditures of Federal Awards .....                       | 95              |

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17**

**OFFICIALS**

Regional Superintendent  
(Current and during the Audit Period)

Mr. G. Lawrence Daghe

Assistant Regional Superintendent  
(Current and during the Audit Period)

Mr. Mark Jontry

Office is located at:

905 N. Main St. - Suite #1  
Normal, Illinois 61761

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17**

**COMPLIANCE REPORT SUMMARY**

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

**AUDITOR'S REPORTS**

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

**SUMMARY OF AUDIT FINDINGS**

| <u>Number of</u>                                     | <u>This Audit</u> | <u>Prior Audit</u> |
|--|-------------------|--------------------|
| Audit findings                                       | 1                 | 5                  |
| Repeated audit findings                              | 0                 | 3                  |
| Prior recommendations implemented<br>or not repeated | 5                 | 1                  |

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

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

| <u>Item No.</u> | <u>Page</u> | <u>Description</u> |
|-----------------|-------------|--------------------|
|-----------------|-------------|--------------------|

FINDINGS (GOVERNMENT AUDITING STANDARDS)

|      |       |   |
|------|-------|---|
| 07-1 | 12-13 | Controls Over Financial Statement Preparation |
|------|-------|---|

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

None

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

|      |    |  |
|------|----|--|
| 06-1 | 16 | Controls Over Compliance with Laws and Regulations |
| 06-2 | 16 | Inaccurate Reporting of Expenditures               |
| 06-3 | 16 | Inadequate Internal Controls Over Cash             |
| 06-4 | 16 | Improper Revenue Classifications                   |
| 06-5 | 16 | Untimely Filed Payroll Reports                     |

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

|      |    |                                      |
|------|----|--------------------------------------|
| 06-2 | 16 | Inaccurate Reporting of Expenditures |
|------|----|--------------------------------------|

## **EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference held orally on September 21, 2007. Attending were Mr. G. Lawrence Daghe, Regional Superintendent, Ms. Cynthia Veselak, Bookkeeper, and Mr. Joe Hoerschelmann, auditor with Clifton Gunderson LLP. Responses to the recommendations were provided by Honorable Mr. G. Lawrence Daghe, Regional Superintendent, on December 18, 2007.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17**

**FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17 was performed by Clifton Gunderson LLP.

Based on their audit, the auditors expressed an unqualified opinion on the DeWitt, Livingston, and McLean Counties Regional Office of Education #17'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 DeWitt, Livingston, and McLean Counties Regional Office of Education #17, as of and for the year ended June 30, 2007, which collectively comprise the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2008 on our consideration of DeWitt, Livingston, and McLean Counties Regional Office of Education #17'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 17 through 31 and 64 are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic financial statements. The accompanying supplemental information, such as the combining and individual nonmajor fund financial statements, budgetary comparison schedules and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Clifton Henderson LLP*

Clinton, Iowa  
June 9, 2008

**INDEPENDENT AUDITOR'S 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 DeWitt, Livingston, and McLean Counties Regional Office of Education #17, as of and for the year ended June 30, 2007, which collectively comprise the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic financial statements and have issued our report thereon dated June 9, 2008. 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 DeWitt, Livingston, and McLean Counties Regional Office of Education #17'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 DeWitt, Livingston, and McLean Counties Regional Office of Education #17's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17'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 deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting, 07-1.

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

Our consideration of 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 the significant deficiency described is not a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the DeWitt, Livingston, and McLean Counties Regional Office of Education #17'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*.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit DeWitt, Livingston, and McLean Counties Regional Office of Education #17'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, 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  
June 9, 2008

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

We have audited the compliance of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The DeWitt, Livingston, and McLean Counties Regional Office of Education #17's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's management. Our responsibility is to express an opinion on the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's compliance with those requirements.

In our opinion, the DeWitt, Livingston, and McLean Counties Regional Office of Education #17 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

## Internal Control Over Compliance

The management of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's internal control over compliance.

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

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

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

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, others within the organization, 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  
June 9, 2008

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007**

**Section I: Summary of Auditor's Results:**

**Financial Statements**

Type of auditor's report issued: \_\_\_\_\_ Unqualified \_\_\_\_\_

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? \_\_\_\_\_ yes      x   no

**Federal Awards**

Internal control over major programs:

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

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

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

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| <u>84.213C</u>        | <u>Evenstart Family Literacy</u>          |
| _____                 | _____                                     |
| _____                 | _____                                     |
| _____                 | _____                                     |

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

Auditee qualified as low-risk auditee?   x   yes    \_\_\_\_\_ no

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007**

**Section II: Financial Statement Findings:**

**FINDING NO. 07-1 - Controls Over Financial Statement Preparation**

**Criteria/Specific Requirement:**

The Regional Office of Education #17 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 #17 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 sufficient 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.

**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.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007**

**Section II: Financial Statement Findings:**

**FINDING NO. 07-1 - Controls Over Financial Statement Preparation (Continued)**

**Recommendation:**

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #17 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 #17 understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Regional Office will seek the assistance of the county auditor to provide the accounting expertise to prepare and/or review the financial statements for our office. This should help to control the additional costs of such preparations. We have also contacted our accounting systems provider (STI) to develop reporting software that would assist all ROEs in meeting these requirements.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007**

**Section III: Federal Award Findings:**

**INSTANCES OF NONCOMPLIANCE:**

None

**SIGNIFICANT DEFICIENCIES:**

None

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
June 30, 2007**

**FINDING NO. 07-1 - Controls Over Financial Statement Preparation**

**Condition:**

The Regional Office of Education #17 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 sufficient 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.

**Plan:**

The Regional Office of Education #17 understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Regional Office will seek the assistance of the county auditor to provide the accounting expertise to prepare and/or review the financial statements for our office. This should help to control the additional costs of such preparations. We have also contacted our accounting systems provider (STI) to develop reporting software that would assist all ROEs in meeting these requirements.

**Anticipated Completion Date:**

June 30, 2008

**Contact Person Responsible for Corrective Action:**

Mr. G. Lawrence Daghe, Regional Superintendent

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2007**

| <u>Finding<br/>Number</u> | <u>Condition</u>   | <u>Current Status</u> |
|---------------------------|--|-----------------------|
| 06-1                      | A. Public Act 95-496 repealed the requirements of 105 ILCS 5/3-14.11.  | Resolved              |
| 06-1                      | B. ROE reported all activities quarterly to the county board, including a list of all school visited with dates of visitation. | Resolved              |
| 06-1                      | C. Public Act 95-496 repealed the requirements of 105 ILCS 5/3-14.5.   | Resolved              |
| 06-2                      | Inaccurate Reporting of Expenditures   | Resolved              |
| 06-3                      | Inadequate Internal Controls Over Cash   | Resolved              |
| 06-4                      | Improper Revenue Classification  | Resolved              |
| 06-5                      | Untimely Filed Payroll Reports   | Resolved              |

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2007**

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 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, 2007. We encourage readers to consider this information in conjunction with DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial statements, which follow.

**2007 FINANCIAL HIGHLIGHTS**

- General Fund revenues decreased from \$891,812 in 2006 to \$730,978 in 2007 due to the closing of the Pontiac Alternative School, resulting in a loss of General State Aid and 2 Evenstart programs. The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 showed a decrease in General Fund balance from \$234,763 in fiscal year 2006 to \$201,019 in fiscal year 2007 as a result of these factors.
- The Institute Fund's fund balance decreased from \$144,484 in 2006 to \$139,959 in 2007. The main reason for the decrease is the increase in expenditures for professional development activities.
- The Education Fund's fund balance increased from \$976,252 in 2006 to \$1,058,641 in 2007. The Education Fund is made up of grants that the Regional Office receives and these can vary greatly from year to year as some programs are discontinued while others see a funding increase.

**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 DeWitt, Livingston, and McLean Counties Regional Office of Education #17'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 DeWitt, Livingston, and McLean Counties Regional Office of Education #17 as a whole and present an overall view of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's finances.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2007**

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 DeWitt, Livingston, and McLean Counties Regional Office of Education #17's operations in more detail than the government-wide statements by providing information about the most significant funds.

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

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

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

Figure A-1 summarizes the major features of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial statements, including the portion of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's activities they cover and the types of information they contain.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2007**

**Figure A-1  
Major Features of the Government-wide and Fund Financial Statements**

|  | Government-wide Statements   | Fund Statements  |   |   |
|--|--|--|---|---|
|  |  | Governmental Funds   | Proprietary Funds   | Fiduciary Funds   |
| Scope                                  | Entire Regional Office of Education #17 (except fiduciary funds)   | The activities of Regional Office of Education #17 that are not proprietary or fiduciary, such as grants and statutory funds   | Activities Regional Office of Education #17 operates similar to private businesses: workshops   | Instances in which Regional Office of Education #17 administers resources on behalf of someone else, such as the distributive fund, Regional Board of School Trustees Fund, and the Cooperative Purchasing Fund |
| Required financial statements          | <ul style="list-style-type: none"> <li>• Statement of Net Assets</li> <li>• Statement of Activities</li> </ul> | <ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>   | <ul style="list-style-type: none"> <li>• Statement of Net Assets</li> <li>• Statement of Revenues, Expenses, and Changes in Fund Net Assets</li> <li>• Statement of Cash Flows</li> </ul> | <ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Assets</li> </ul>   |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus  | Modified accrual accounting and current financial resources focus  | Accrual accounting and economic resources focus   | Accrual accounting and economic resources focus   |
| Type of asset/liability information    | All assets and liabilities, both financial and capital, short-term and long-term                               | Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included   | All assets and liabilities, both financial and capital, short-term and long-term  | All assets and liabilities, both short-term and long-term   |
| Type of inflow/outflow information     | All revenues and expenses during year, regardless of when cash is received or paid                             | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter | All revenues and expenses during the year, regardless of when cash is received or paid  | All additions and deductions during the year, regardless of when cash is received or paid   |

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2007**

**REPORTING DEWITT, LIVINGSTON, AND MCLEAN COUNTIES REGIONAL OFFICE OF EDUCATION #17'S FINANCIAL ACTIVITIES**

***Government-wide Financial Statements***

The government-wide financial statements report information about DeWitt, Livingston, and McLean Counties Regional Office of Education #17 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of DeWitt, Livingston, and McLean Counties Regional Office of Education #17'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 DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets and how they have changed. Net assets - the difference between DeWitt, Livingston, and McLean Counties Regional Office of Education #17's assets and liabilities - are one way to measure DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial health or financial position. Over time, increases or decreases in DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets are an indicator of whether financial position is improving or deteriorating. To assess DeWitt, Livingston, and McLean Counties Regional Office of Education #17's overall health, additional non-financial factors, such as changes in DeWitt, Livingston, and McLean Counties Regional Office of Education #17's grant funding and the condition of facilities need to be considered.

In the government-wide financial statements, DeWitt, Livingston, and McLean Counties Regional Office of Education #17's activities are divided into two categories:

- *Governmental activities:* Most of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic services are included here, such as grants and statutory funds. Federal and state grant proceeds finance most of these activities.
- *Business-type activities:* DeWitt, Livingston, and McLean Counties Regional Office of Education #17 charges fees to help cover the costs of certain services it provides. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's workshop fund is included here.

***Fund Financial Statements***

The fund financial statements provide more detailed information about DeWitt, Livingston, and McLean Counties Regional Office of Education #17's funds, focusing on its most significant or "major" funds - not DeWitt, Livingston, and McLean Counties Regional Office of Education #17 as a whole. Funds are accounting devices DeWitt, Livingston, and McLean Counties Regional Office of Education #17 uses to keep track of specific sources of funding and spending on particular programs.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2007**

Some funds are required by state law. DeWitt, Livingston, and McLean Counties Regional Office of Education #17 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.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 has three kinds of funds:

1) *Governmental funds*: Most of DeWitt, Livingston, and McLean Counties Regional Office of Education #17'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 DeWitt, Livingston, and McLean Counties Regional Office of Education #17's programs.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17's governmental funds include the General Fund and Special Revenue Funds.

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

2) *Proprietary funds*: Services for which DeWitt, Livingston, and McLean Counties Regional Office of Education #17 charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's Enterprise Funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. DeWitt, Livingston, and McLean Counties Regional Office of Education #17 currently has one Enterprise Fund, the Inservice Fund.

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

3) *Fiduciary funds*: DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is the trustee for assets that belong to others. These funds include the Agency Funds.

- Agency Funds - These are funds through which DeWitt, Livingston, and McLean Counties Regional Office of Education #17 administers and accounts for certain federal and/or state grants on behalf of others.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 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. DeWitt, Livingston, and McLean Counties Regional Office of Education #17 excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2007**

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

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of DeWitt, Livingston, and McLean Counties Regional Office of Education #17, assets exceeded liabilities by \$1,947,450 as of June 30, 2007.

A portion of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets (26%) reflects its investment in capital assets (e.g., furniture and equipment), less any related debt used to acquire those assets that are still outstanding. Although DeWitt, Livingston, and McLean Counties Regional Office of Education #17's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial position is the product of several financial transactions including the net results of activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets for the fiscal years ended June 30, 2007 and 2006.

| <u><b>2007</b></u>                                 | <b>Governmental<br/>Activities</b> | <b>Business-<br/>Type<br/>Activities</b> | <b>Total</b>               |
|--|------------------------------------|--|----------------------------|
| Current assets                                     | \$ 1,480,832                       | \$ 22,239                                | \$ 1,503,071               |
| Capital assets, net of accumulated<br>depreciation | <u>498,065</u>                     | <u>-</u>                                 | <u>498,065</u>             |
| Total assets                                       | <u>1,978,897</u>                   | <u>22,239</u>                            | <u>2,001,136</u>           |
| Current liabilities                                | <u>53,686</u>                      | <u>-</u>                                 | <u>53,686</u>              |
| Net assets   |                                    |  |                            |
| Invested in capital assets, net of<br>related debt | 498,065                            | -  | 498,065                    |
| Unrestricted                                       | 1,287,187                          | 22,239                                   | 1,309,426                  |
| Restricted for teacher professional<br>development | <u>139,959</u>                     | <u>-</u>                                 | <u>139,959</u>             |
| <b>Total net assets</b>                            | <b><u>\$ 1,925,211</u></b>         | <b><u>\$ 22,239</u></b>                  | <b><u>\$ 1,947,450</u></b> |

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2007**

| <u>2006</u>  | <u>Governmental<br/>Activities</u> | <u>Business-<br/>Type<br/>Activities</u> | <u>Total</u>        |
|--|------------------------------------|--|---------------------|
| Current assets                                     | \$ 1,438,626                       | \$ 19,580                                | \$ 1,458,206        |
| Capital assets, net of accumulated<br>depreciation | <u>485,921</u>                     | <u>-</u>                                 | <u>485,921</u>      |
| Total assets                                       | <u>1,924,547</u>                   | <u>19,580</u>                            | <u>1,944,127</u>    |
| Current liabilities                                | <u>60,337</u>                      | <u>-</u>                                 | <u>60,337</u>       |
| Net assets   |                                    |  |                     |
| Invested in capital assets, net of<br>related debt | 485,921                            | -  | 485,921             |
| Unrestricted                                       | 1,233,805                          | 19,580                                   | 1,253,385           |
| Restricted for teacher professional<br>development | <u>144,484</u>                     | <u>-</u>                                 | <u>144,484</u>      |
| <b>Total net assets</b>                            | <u>\$ 1,864,210</u>                | <u>\$ 19,580</u>                         | <u>\$ 1,883,790</u> |

The largest portion of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets is unrestricted. Unrestricted net assets are the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements. Unrestricted net assets were \$1,309,426 for the year ended June 30, 2007. In addition, net assets related to the Institute Fund are considered restricted for teacher professional development.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2007**

**Changes in net assets.** DeWitt, Livingston, and McLean Counties Regional Office of Education #17's total revenue for the fiscal year ended June 30, 2007 was \$5,597,204. The total cost of all programs and services was \$5,533,544. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2007 and 2006.

| <u>2007</u>                         | <u>Governmental<br/>Activities</u> | <u>Business-<br/>Type<br/>Activities</u> | <u>Total</u>     |
|-------------------------------------|------------------------------------|--|------------------|
| <b>Revenues:</b>                    |                                    |  |                  |
| Program revenues                    |                                    |  |                  |
| Charges for services                | \$ -                               | \$ 11,909                                | \$ 11,909        |
| Operating grants and contributions  | 2,346,633                          | -  | 2,346,633        |
| General revenues                    |                                    |  |                  |
| Local sources                       | 2,881,946                          | -  | 2,881,946        |
| State sources                       | 49,744                             | -  | 49,744           |
| On-behalf payments                  | <u>306,972</u>                     | <u>-</u>                                 | <u>306,972</u>   |
| Total revenues                      | <u>5,585,295</u>                   | <u>11,909</u>                            | <u>5,597,204</u> |
| <b>Expenses:</b>                    |                                    |  |                  |
| Instructional services              |                                    |  |                  |
| Salaries and benefits               | 2,604,541                          | -  | 2,604,541        |
| Purchased services                  | 2,306,120                          | 4,911                                    | 2,311,031        |
| Supplies and materials              | 138,220                            | 4,339                                    | 142,559          |
| Capital outlay                      | 2,214                              | -  | 2,214            |
| Payments to other governments       | 38,934                             | -  | 38,934           |
| Other objects                       | 52,521                             | -  | 52,521           |
| Depreciation and disposition losses | 74,772                             | -  | 74,772           |
| Administrative                      |                                    |  |                  |
| On-behalf payments                  | <u>306,972</u>                     | <u>-</u>                                 | <u>306,972</u>   |
| Total expenses                      | <u>5,524,294</u>                   | <u>9,250</u>                             | <u>5,533,544</u> |
| <b>Change in net assets</b>         | <u>\$ 61,001</u>                   | <u>\$ 2,659</u>                          | <u>\$ 63,660</u> |

Operating grants and contributions account for 42% of the total revenue. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's expenses primarily relate to instructional services, which account for 94% of the total expenses.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2007**

| <u>2006</u>                         | <u>Governmental<br/>Activities</u> | <u>Business-<br/>Type<br/>Activities</u> | <u>Total</u>      |
|-------------------------------------|------------------------------------|--|-------------------|
| <b>Revenues:</b>                    |                                    |  |                   |
| Program revenues                    |                                    |  |                   |
| Charges for services                | \$ -                               | \$ 8,048                                 | \$ 8,048          |
| Operating grants and contributions  | 1,869,972                          | -  | 1,869,972         |
| General revenues                    |                                    |  |                   |
| Local sources                       | 3,406,417                          | -  | 3,406,417         |
| State sources                       | 106,272                            | -  | 106,272           |
| On-behalf payments                  | <u>300,041</u>                     | <u>-</u>                                 | <u>300,041</u>    |
| Total revenues                      | <u>5,682,702</u>                   | <u>8,048</u>                             | <u>5,690,750</u>  |
| <b>Expenses:</b>                    |                                    |  |                   |
| Instructional services              |                                    |  |                   |
| Salaries and benefits               | 2,516,027                          | -  | 2,516,027         |
| Purchased services                  | 2,310,367                          | 5,013                                    | 2,315,380         |
| Supplies and materials              | 145,018                            | 2,032                                    | 147,050           |
| Capital outlay                      | 16,897                             | -  | 16,897            |
| Payments to other governments       | 55,166                             | -  | 55,166            |
| Other objects                       | 75,607                             | -  | 75,607            |
| Depreciation and disposition losses | 42,941                             | -  | 42,941            |
| Administrative                      |                                    |  |                   |
| On-behalf payments                  | <u>300,041</u>                     | <u>-</u>                                 | <u>300,041</u>    |
| Total expenses                      | <u>5,462,064</u>                   | <u>7,045</u>                             | <u>5,469,109</u>  |
| <b>Change in net assets</b>         | <u>\$ 220,638</u>                  | <u>\$ 1,003</u>                          | <u>\$ 221,641</u> |

Operating grants and contributions account for 33% of the total revenue. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's expenses primarily relate to instructional services, which account for 95% of the total expenses.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2007**

**Governmental Activities**

Revenues for governmental activities were \$5,585,295 and \$5,682,702 and expenses were \$5,524,294 and \$5,462,064 for 2007 and 2006, respectively.

The following tables present the cost of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's functional governmental activities. The tables also show each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and DeWitt, Livingston, and McLean Counties Regional Office of Education #17's residents by each of these functions.

| <u>2007</u>                         | <u>Total<br/>Expenses</u>  | <u>Net (Expenses)<br/>Revenues</u> |
|-------------------------------------|----------------------------|------------------------------------|
| Instructional services:             |                            |                                    |
| Salaries and benefits               | \$ 2,604,541               | \$ (1,435,798)                     |
| Purchased services                  | 2,306,120                  | (1,271,289)                        |
| Supplies and materials              | 138,220                    | (76,196)                           |
| Capital outlay                      | 2,214                      | 37,782                             |
| Payments to other governments       | 38,934                     | (21,463)                           |
| Other objects                       | 52,521                     | (28,953)                           |
| Depreciation and disposition losses | 74,772                     | (74,772)                           |
| Administrative:                     |                            |                                    |
| On-behalf payments                  | <u>306,972</u>             | <u>(306,972)</u>                   |
| <b>Total expenses</b>               | <b><u>\$ 5,524,294</u></b> | <b><u>\$ (3,177,661)</u></b>       |

| <u>2006</u>                         | <u>Total<br/>Expenses</u>  | <u>Net (Expenses)<br/>Revenues</u> |
|-------------------------------------|----------------------------|------------------------------------|
| Instructional services:             |                            |                                    |
| Salaries and benefits               | \$ 2,516,027               | \$ (1,610,912)                     |
| Purchased services                  | 2,310,367                  | (1,479,236)                        |
| Supplies and materials              | 145,018                    | (92,849)                           |
| Capital outlay                      | 16,897                     | 17,616                             |
| Payments to other governments       | 55,166                     | (35,321)                           |
| Other objects                       | 75,607                     | (48,408)                           |
| Depreciation and disposition losses | 42,941                     | (42,941)                           |
| Administrative:                     |                            |                                    |
| On-behalf payments                  | <u>300,041</u>             | <u>(300,041)</u>                   |
| <b>Total expenses</b>               | <b><u>\$ 5,462,064</u></b> | <b><u>\$ (3,592,092)</u></b>       |

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2007**

The cost of all governmental activities was \$5,524,294 and \$5,462,064 for 2007 and 2006, respectively.

Federal and state governments subsidized certain governmental activities with grants and contributions of \$2,346,633 and \$1,869,972 for 2007 and 2006, respectively.

Net cost of governmental activities (\$3,177,661), was financed by general revenues, which are made up of primarily local and state sources (\$2,931,690) and on-behalf payments (\$306,972) for 2007.

Net cost of governmental activities (\$3,592,092), was financed by general revenues, which are made up of primarily local and state sources (\$3,512,689) and on-behalf payments (\$300,041) for 2006.

**Business-Type Activities**

Revenues for business-type activities were \$11,909 and \$8,048 and expenses were \$9,250 and \$7,045 for 2007 and 2006, respectively. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's business-type activities include the Inservice Fund. Revenues of these activities were comprised of charges for service.

**INDIVIDUAL FUND ANALYSIS**

As previously noted, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of DeWitt, Livingston, and McLean Counties Regional Office of Education #17 as a whole is reflected in its governmental funds, as well. As DeWitt, Livingston, and McLean Counties Regional Office of Education #17 completed the year, its governmental funds reported a combined fund balance of \$1,427,146, above last year's ending fund balances of \$1,378,289.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2007**

**Governmental Fund Highlights**

The General Fund's fund balance decreased from \$234,763 in 2006 to \$201,019 in 2007. The main reason for the decrease is the closing of the Pontiac Alternative School, resulting in a loss of General State Aid and 2 Evenstart programs.

The Institute Fund's fund balance decreased from \$144,484 in 2006 to \$139,959 in 2007. The main reason for the decrease is due to the increase in expenditures for professional development activities.

The Education Fund's fund balance increased from \$976,252 in 2006 to \$1,058,641 in 2007. The Education Fund is made up of grants that the Regional Office receives and these can vary greatly from year to year as some programs are discontinued while others see a funding increase. Over the various programs that make up the fund, total revenues exceeded expenditures by \$82,389 thus increasing the fiscal year 2006 fund balance from \$976,252 to \$1,058,641 in fiscal year 2007. The grants associated with the Regional Safe Schools, Heart of Illinois Low Incidence, Regional Alternative School, and Standards Aligned Classroom activities have increased this year, increasing the fund balance.

**Proprietary Fund Highlights**

Inservice Fund net assets increased from \$19,580 at June 30, 2006 to \$22,239 at June 30, 2007, representing an increase of approximately 14%. The Inservice Fund's assets are primarily made up of funds the Regional Office receives and expends in providing courses and seminars for teachers to aid in their professional development.

The Inservice Fund revenues have increased from fiscal year 2006 to fiscal year 2007 due to an increase in professional development activities and fees. Additionally, the Regional Office has implemented a web page primarily devoted to professional development activities for teachers and administrators.

**BUDGETARY HIGHLIGHTS**

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is not required to create a budget for overall operations. They are required to prepare budgets for most of the grants they receive. Over the course of the year, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 amended several of the grant budgets within the Education Fund. Budgets for grant programs are adjusted because of an increase or decrease in funding due to changes at the State level or to better allocate funds received to meet the needs of the program.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2007**

**CAPITAL ASSETS**

As of June 30, 2007, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 had invested \$498,065 in capital assets, including furniture and equipment. This amount was \$12,144 higher when compared to 2006. Total depreciation expense and disposition loss for the year was \$74,772.

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2007.

|                         | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u> |
|-------------------------|------------------------------------|-------------------------------------|--------------|
| Furniture and equipment | \$ 498,065                         | \$ -                                | \$ 498,065   |

The Regional Office of Education #17 has committed to the purchase of additional leasehold improvements at June 30, 2007 totaling \$73,000.

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2006.

|                         | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u> |
|-------------------------|------------------------------------|-------------------------------------|--------------|
| Furniture and equipment | \$ 485,921                         | \$ -                                | \$ 485,921   |

Additional information on DeWitt, Livingston, and McLean Counties Regional Office of Education #17's capital assets can be found in Note 7 on page 59 of this report.

**ECONOMIC FACTORS BEARING ON DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17'S FUTURE**

At the time these financial statements were prepared and audited, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 was aware of several existing circumstances that could significantly affect its financial health in the future:

The Regional Office continues to receive support from the three county boards for payroll and other expenses of operation. The budget for fiscal year 2008 should realize minimal increase.

The Education Fund has experienced the loss of one of the Evenstart programs and severe cuts to the other Evenstart program. The future of the remaining Evenstart program along with Adult Education programs is in question and is not known at the time. To account for the decrease in funding for these programs, the Regional Office will apply for grants from the Heartland Community College and Illinois Community College Board.

Also affecting the Regional Office is the delay by the State of Illinois to finalize its budget. Accordingly, several programs are operating at fiscal year 2007 funding levels due to the uncertainty of an increase for fiscal year 2008.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2007**

**CONTACTING DEWITT, LIVINGSTON, AND MCLEAN COUNTIES REGIONAL OFFICE OF  
EDUCATION #17'S FINANCIAL MANAGEMENT**

This financial report is designed to provide DeWitt, Livingston, and McLean Counties Regional Office of Education #17's citizens, taxpayers, and customers with a general overview of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's finances and to demonstrate DeWitt, Livingston, and McLean Counties Regional Office of Education #17's accountability for the money it receives. If you have questions about this report or need additional financial information, contact DeWitt, Livingston, and McLean Counties Regional Office of Education #17, 905 N. Main St. - Suite #1, Normal, Illinois 61761.

## **BASIC FINANCIAL STATEMENTS**

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
STATEMENT OF NET ASSETS  
June 30, 2007**

|   | Primary Government                 |                                     | <u>Total</u>        |
|---|------------------------------------|-------------------------------------|---------------------|
|   | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> |                     |
| <b>ASSETS</b>                                   |                                    |                                     |                     |
| Current assets:                                 |                                    |                                     |                     |
| Cash and cash equivalents                       | \$ 1,366,406                       | \$ 22,239                           | \$ 1,388,645        |
| Due from other governments                      | 114,426                            | -                                   | 114,426             |
| Total current assets                            | 1,480,832                          | 22,239                              | 1,503,071           |
| Non-current assets:                             |                                    |                                     |                     |
| Capital assets, being depreciated, net          | 498,065                            | -                                   | 498,065             |
| Total assets                                    | 1,978,897                          | 22,239                              | 2,001,136           |
| <b>LIABILITIES</b>                              |                                    |                                     |                     |
| Current liabilities:                            |                                    |                                     |                     |
| Accrued expenses                                | 3,996                              | -                                   | 3,996               |
| Due to other governments                        | 287                                | -                                   | 287                 |
| Deferred revenue                                | 49,403                             | -                                   | 49,403              |
| Total current liabilities                       | 53,686                             | -                                   | 53,686              |
| <b>NET ASSETS</b>                               |                                    |                                     |                     |
| Investment in capital assets                    | 498,065                            | -                                   | 498,065             |
| Unrestricted                                    | 1,287,187                          | 22,239                              | 1,309,426           |
| Restricted for teacher professional development | 139,959                            | -                                   | 139,959             |
| <b>Total net assets</b>                         | <b>\$ 1,925,211</b>                | <b>\$ 22,239</b>                    | <b>\$ 1,947,450</b> |

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2007**

**EXHIBIT B**

| <b>FUNCTIONS/PROGRAMS</b>            | Program Revenues    |                                 |   | Net (Expenses) Revenues<br>and Changes in Net Assets |                                     |                     |
|--------------------------------------|---------------------|---------------------------------|---|--|-------------------------------------|---------------------|
|                                      | <u>Expenses</u>     | <u>Charges for<br/>Services</u> | <u>Operating<br/>Grants and<br/>Contributions</u> | Primary Government                                   |                                     |                     |
|                                      |                     |                                 |   | <u>Governmental<br/>Activities</u>                   | <u>Business-Type<br/>Activities</u> | <u>Total</u>        |
| Primary government:                  |                     |                                 |   |  |                                     |                     |
| Governmental activities:             |                     |                                 |   |  |                                     |                     |
| Instructional services:              |                     |                                 |   |  |                                     |                     |
| Salaries and benefits                | \$ 2,604,541        | \$ -                            | \$ 1,168,743                                      | \$ (1,435,798)                                       | \$ -                                | \$ (1,435,798)      |
| Purchased services                   | 2,306,120           | -                               | 1,034,831   | (1,271,289)  | -                                   | (1,271,289)         |
| Supplies and materials               | 138,220             | -                               | 62,024  | (76,196)   | -                                   | (76,196)            |
| Capital outlay                       | 2,214               | -                               | 39,996  | 37,782   | -                                   | 37,782              |
| Payments to other governments        | 38,934              | -                               | 17,471  | (21,463)   | -                                   | (21,463)            |
| Other objects                        | 52,521              | -                               | 23,568  | (28,953)   | -                                   | (28,953)            |
| Depreciation and disposition losses  | 74,772              | -                               | -   | (74,772)   | -                                   | (74,772)            |
| Administrative:                      |                     |                                 |   |  |                                     |                     |
| On-behalf payments                   | 306,972             | -                               | -   | (306,972)  | -                                   | (306,972)           |
| Total governmental activities        | 5,524,294           | -                               | 2,346,633   | (3,177,661)  | -                                   | (3,177,661)         |
| Business-type activities:            |                     |                                 |   |  |                                     |                     |
| Registration fees                    | 9,250               | 11,909                          | -   | -  | 2,659                               | 2,659               |
| <b>Total primary government</b>      | <b>\$ 5,533,544</b> | <b>\$ 11,909</b>                | <b>\$ 2,346,633</b>                               | <b>(3,177,661)</b>                                   | <b>2,659</b>                        | <b>(3,175,002)</b>  |
| General revenues:                    |                     |                                 |   |  |                                     |                     |
| Local sources                        |                     |                                 |   | 2,881,946  | -                                   | 2,881,946           |
| State sources                        |                     |                                 |   | 49,744   | -                                   | 49,744              |
| On-behalf payments                   |                     |                                 |   | 306,972  | -                                   | 306,972             |
| Total general revenues               |                     |                                 |   | 3,238,662  | -                                   | 3,238,662           |
| <b>CHANGES IN NET ASSETS</b>         |                     |                                 |   | 61,001   | 2,659                               | 63,660              |
| <b>NET ASSETS, BEGINNING OF YEAR</b> |                     |                                 |   | 1,864,210  | 19,580                              | 1,883,790           |
| <b>NET ASSETS, END OF YEAR</b>       |                     |                                 |   | <b>\$ 1,925,211</b>                                  | <b>\$ 22,239</b>                    | <b>\$ 1,947,450</b> |

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2007**

|  | Special Revenue   |                   |                     |                            | Total<br>Governmental<br>Funds |
|--|-------------------|-------------------|---------------------|----------------------------|--------------------------------|
|  | General<br>Fund   | Institute<br>Fund | Education<br>Fund   | Other<br>Nonmajor<br>Funds |                                |
| <b>ASSETS</b>                              |                   |                   |                     |                            |                                |
| Cash and cash equivalents                  | \$ 201,019        | \$ 139,959        | \$ 1,016,207        | \$ 9,221                   | \$ 1,366,406                   |
| Due from other governments                 | -                 | -                 | 96,120              | 18,306                     | 114,426                        |
|  | -                 | -                 | 96,120              | 18,306                     | 114,426                        |
| <b>TOTAL ASSETS</b>                        | <b>\$ 201,019</b> | <b>\$ 139,959</b> | <b>\$ 1,112,327</b> | <b>\$ 27,527</b>           | <b>\$ 1,480,832</b>            |
| <b>LIABILITIES AND FUND BALANCES</b>       |                   |                   |                     |                            |                                |
| <b>LIABILITIES</b>                         |                   |                   |                     |                            |                                |
| Accrued expenses                           | \$ -              | \$ -              | \$ 3,996            | \$ -                       | \$ 3,996                       |
| Due to other governments                   | -                 | -                 | 287                 | -                          | 287                            |
| Deferred revenue                           | -                 | -                 | 49,403              | -                          | 49,403                         |
| Total liabilities                          | -                 | -                 | 53,686              | -                          | 53,686                         |
| <b>FUND BALANCES</b>                       |                   |                   |                     |                            |                                |
| Unreserved, reported in:                   |                   |                   |                     |                            |                                |
| General fund                               | 201,019           | -                 | -                   | -                          | 201,019                        |
| Special revenue funds                      | -                 | 139,959           | 1,058,641           | 27,527                     | 1,226,127                      |
| Total fund balances                        | 201,019           | 139,959           | 1,058,641           | 27,527                     | 1,427,146                      |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 201,019</b> | <b>\$ 139,959</b> | <b>\$ 1,112,327</b> | <b>\$ 27,527</b>           | <b>\$ 1,480,832</b>            |

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**June 30, 2007**

|  |                            |
|--|----------------------------|
| <b>Total fund balances of governmental funds (page 35)</b>   | <b>\$ 1,427,146</b>        |
| <p>Amounts reported for governmental activities in the<br/>Statement of Net Assets are different because:</p>                            |                            |
| <p>Capital assets used in governmental activities are not<br/>financial resources and, therefore, are not reported<br/>in the funds.</p> | <u>498,065</u>             |
| <b>Net assets of governmental activities (page 33)</b>   | <b><u>\$ 1,925,211</u></b> |

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2007**

|  | Special Revenue   |                   |                     |                            | Total<br>Governmental<br>Funds |
|--|-------------------|-------------------|---------------------|----------------------------|--------------------------------|
|  | General<br>Fund   | Institute<br>Fund | Education<br>Fund   | Other<br>Nonmajor<br>Funds |                                |
| <b>REVENUES:</b>                           |                   |                   |                     |                            |                                |
| Local sources                              | \$ 316,716        | \$ 66,211         | \$ 2,440,080        | \$ 58,939                  | \$ 2,881,946                   |
| State sources                              | 107,290           | -                 | 1,779,884           | 3,000                      | 1,890,174                      |
| Federal sources                            | -                 | -                 | 506,203             | -                          | 506,203                        |
| On-behalf payments                         | 306,972           | -                 | -                   | -                          | 306,972                        |
| Total revenues                             | <u>730,978</u>    | <u>66,211</u>     | <u>4,726,167</u>    | <u>61,939</u>              | <u>5,585,295</u>               |
| <b>EXPENDITURES:</b>                       |                   |                   |                     |                            |                                |
| Current:                                   |                   |                   |                     |                            |                                |
| Instructional services:                    |                   |                   |                     |                            |                                |
| Salaries and benefits                      | 327,889           | 985               | 2,242,991           | 32,676                     | 2,604,541                      |
| Purchased services                         | 117,575           | 51,687            | 2,118,417           | 18,441                     | 2,306,120                      |
| Supplies and materials                     | 9,254             | 5,540             | 117,471             | 5,955                      | 138,220                        |
| Capital outlay                             | 3,032             | -                 | 86,098              | -                          | 89,130                         |
| Payments to other governments              | -                 | 12,524            | 26,280              | 130                        | 38,934                         |
| Other objects                              | -                 | -                 | 52,521              | -                          | 52,521                         |
| On-behalf payments                         | 306,972           | -                 | -                   | -                          | 306,972                        |
| Total expenditures                         | <u>764,722</u>    | <u>70,736</u>     | <u>4,643,778</u>    | <u>57,202</u>              | <u>5,536,438</u>               |
| <b>NET CHANGE IN FUND BALANCES</b>         | (33,744)          | (4,525)           | 82,389              | 4,737                      | 48,857                         |
| <b>FUND BALANCE,<br/>BEGINNING OF YEAR</b> | <u>234,763</u>    | <u>144,484</u>    | <u>976,252</u>      | <u>22,790</u>              | <u>1,378,289</u>               |
| <b>FUND BALANCE, END OF YEAR</b>           | <u>\$ 201,019</u> | <u>\$ 139,959</u> | <u>\$ 1,058,641</u> | <u>\$ 27,527</u>           | <u>\$ 1,427,146</u>            |

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**June 30, 2007**

**Net change in fund balances (page 37)** \$ 48,857

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                      | \$ 86,916       |               |
| Depreciation and disposition losses | <u>(74,772)</u> | <u>12,144</u> |

**Change in net assets of governmental activities (page 34)** \$ 61,001

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**June 30, 2007**

|                      | <b>Business-Type<br/>Activities -<br/>Enterprise Fund<br/><u>Inservice</u></b> |
|----------------------|--|
| <b>ASSETS</b>        |  |
| Current assets:      |  |
| Cash                 | \$ 22,239  |
| <b>LIABILITIES</b>   |  |
| Current liabilities: |  |
| None                 | <hr style="width: 100%; border: 0.5px solid black;"/> -                        |
| <b>NET ASSETS</b>    |  |
| Unrestricted         | <hr style="width: 100%; border: 0.5px solid black;"/> \$ 22,239                |

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2007**

|  | <b>Business-Type<br/>Activities -<br/>Enterprise Fund<br/><u>Inservice</u></b> |
|--|--|
| <b>OPERATING REVENUES:</b>                 |  |
| Local sources                              | \$ <u>11,909</u>   |
| <b>OPERATING EXPENSES:</b>                 |  |
| Purchased services                         | 4,911  |
| Supplies and materials                     | <u>4,339</u>   |
| Total operating expenses                   | <u>9,250</u>   |
| Operating income                           | 2,659  |
| <b>TOTAL NET ASSETS, BEGINNING OF YEAR</b> | <u>19,580</u>  |
| <b>TOTAL NET ASSETS, END OF YEAR</b>       | <u>\$ 22,239</u>   |

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2007**

|   | <b>Business-Type<br/>Activities -<br/>Enterprise Fund<br/><u>Inservice</u></b> |
|---|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |  |
| Receipts from workshops   | \$ 11,909  |
| Payments to suppliers and providers of goods and services                                       | <u>(9,250)</u>   |
| Net cash provided by operating activities   | 2,659  |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>   | <u>19,580</u>  |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>   | <u>\$ 22,239</u>   |
| <br><b>Reconciliation of operating income to net cash<br/>provided by operating activities:</b> |  |
| Operating income  | <u>\$ 2,659</u>  |
| <b>Net cash provided by operating activities</b>  | <u>\$ 2,659</u>  |

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
June 30, 2007**

|                           | <b><u>Agency<br/>Funds</u></b> |
|---------------------------|--------------------------------|
| <b>ASSETS</b>             |                                |
| Cash and cash equivalents | \$ <u>166,190</u>              |
| <b>LIABILITIES</b>        |                                |
| Due to other governments  | \$ <u>166,190</u>              |

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is an entity that is a result of an Educational Service Region becoming a Regional Office of Education as of August 7, 1995. The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 operates under the School Code (105 ILCS 5/3 and 5/3A). The Regional Office of Education #17 encompasses DeWitt, Livingston, and McLean Counties in Illinois. A Regional Superintendent of Schools serves as chief administrative officer 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 DeWitt, Livingston, and McLean Counties Regional Office of Education #17's reporting entity includes all related organizations for which the Regional Office of Education #17 exercises oversight responsibility in accordance with Statement No. 14 of the Governmental Accounting Standards Board.

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

The Superintendent has developed criteria to determine whether outside agencies with activities which benefit the citizens served by the Regional Office of Education #17 should be included within its financial reporting entity. The criteria includes, but is not limited to whether the Superintendent (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (i.e., financial budget approval, management of assets, etc.). The Superintendent has determined that no outside agency meets the above criteria and, therefore, no agency has been included as a component unit in the financial statements. In addition, the Superintendent is not aware of any entity which would exercise such oversight which would result in the Regional Office of Education #17 being considered a component unit of the entity.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2007

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

**Basis of Presentation**

**Government-wide Financial Statements** - The Statement of Net Assets and the Statement of Activities report information on all of the activities of DeWitt, Livingston, and McLean Counties Regional Office of Education #17. 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 DeWitt, Livingston, and McLean Counties Regional Office of Education #17's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

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

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

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

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

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007**

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

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 reports the following major governmental funds:

The General Fund is the operating fund of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The following funds are the general funds of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17.

County Fund - this fund accounts for DeWitt, Livingston, and McLean Counties support which helps fund the operation of the Regional Office of Education #17.

Indirect Cost and Interest Fund - this fund accounts for indirect cost allowed by the Adult Education Grants.

ROE/ISC Operations Fund - this fund accounts for the State grant that provides the funding for the Regional Office of Education #17.

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

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

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

Department of Rehabilitation Services (D.O.R.S.) Program Step Grant - this program is for severely handicapped students making the transition from high school to the work place.

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

Penny Severns Grant - this is a summer program designed to serve 30 families with children aged 6 weeks to 12 years who are currently enrolled in English as a second language. The families are assisted with reading, writing, and parenting skills.

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007**

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

Adult Education Programs - this program is funded by the Illinois Community College Board to assist individuals with literacy, GED prep, and English as a Second Language classes.

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

SOS Family Literacy - this program serves parents and their children ages 0 to 5 who are enrolled in Evenstart or Heartland Head Start to provide activities that encourage literacy development and enable parents to be their child's first and best teacher through workshops, field trips, and a partnership with the public libraries to provide activities.

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

Education To Careers - this program provides students of all grade levels exposure to the work world through field trips, job shadowing, speakers, resource materials, and technology.

Partnering NCLB - this program provides schools within the region with online resources for the use of the students.

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

Early Childhood Block Grant - this program offers intensive home visits, drop in and play sessions, parent education, hospital consultations, and referrals for at risk children.

Evenstart Family Literacy - this program provides early childhood education, adult English as a Second Language education, parenting and parent-child interactions for low income and limited English speaking families with children aged 6 weeks to 3 years.

English Language Civics Grant - this program provides immigrants and other limited English proficient persons with skills to understand and navigate governmental workplace systems and key institutions, such as banking and healthcare.

Induction Leadership - this program develops educational materials that support a statewide program based on the Illinois State Board of Education initiative "Induction and Mentoring for Education Administrators".

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007**

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

Work Experience and Career Exploration Program - this program assists teachers with instruction needed in today's classroom.

Illinois Violence Prevention Authority - this program assists in prevention of domestic violence.

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

Implementing Math - this program integrates Mathematics Performance Descriptors and Classroom Assessment into the classroom, as well as, preparing training materials for statewide workshops.

Chestnut - this is a contract with a local drug/alcohol rehabilitation center for GED preparation services.

Mentoring - this program provides training teams to local districts to assist with staff development.

SBC Foundation Grant - this program is funded by a communications company (SBC) and is designed to increase knowledge in the areas of technology.

McLean County Jail Education Development - this is a contract between the county of McLean and the Adult Education Department of the Regional Office of Education #17 to provide a GED teacher at the McLean County Jail.

Donations Literacy Inservice - this program is funded by corporate and private sources to facilitate learning projects in literacy, GED, and English as a Second Language classes.

Youthbuild - this program is funded by local organizations dedicated to rehabilitation, education, and development of job skills for students.

Youth Impact - this program is a cooperative between the cities of Normal, Bloomington, and McLean County to prevent and assist individuals in staying away from gang activity.

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.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

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

Scoop Dreams GED - Scoop Dreams, an ice cream parlor, contracts with the Adult Education Department of the Regional Office of Education #17 to provide GED preparation for students.

Scoop Dreams Grant - this program is funded by Youth Impact, a local government cooperative, to support teachers in the operation of an ice cream parlor that is used to teach job and life skills to students at risk.

Continuum of Care - this program assists participants in obtaining and remaining in permanent housing.

Livingston County Alternative School - this is a state-approved program leading to a high school diploma for students with truancy and discipline problems.

Heart of Illinois Low Incidence - this program promotes, establishes, and maintains comprehensive special education services for children with hearing, vision, and physical disabilities.

Regional Alternative School - this is a state-wide program leading to a high school diploma for students with truancy and discipline problems.

Title I Neglect - this program provides a teacher for the Juvenile Detention Center for GED preparation classes.

Illinois Reading Grant - this program provides standards aligned for reading teachers.

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

Ross Grant - this program provides adult education classes in public housing facilities, which may include transportation and childcare for housing residents while taking classes.

State Farm Grants - State Farm Companies Foundation provides grants to our STAR Literacy to support their employees' volunteer efforts in the community. In addition, State Farm Insurance Company provides a grant that provides training programs to improve classroom instruction in a manner that will reflect increased student achievement on State assessments tests.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007**

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

IASA Title IV Formula - this program is the combination of the following:

Title II Teacher Quality - this program provides teacher workshops.

Title V Innovative Programs - this fund provides staff development services and materials to instructors.

Reluctant Learner - this hands-on training engages educators by showing them how to use the entire Internet to search lesson plan databases, directories, and search engines to quickly and systematically capture lesson plans that will motivate their students.

Illinois Educators' Roundtable - this program is for a group of superintendents to meet on emerging issues affecting the education system.

The Regional Office of Education #17 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:

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

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

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.

The Regional Office of Education #17 reports the following major proprietary fund:

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education #17 on a cost reimbursement basis are reported.

Inservice - used to account for the workshop fees and expenses of the Regional Office of Education #17.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

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

The Regional Office of Education #17 also reports the following agency funds:

Agency Funds are used to account for assets held by the Regional Office of Education #17 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds include the following:

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

Regional Board of School Trustees - this fund accounts for the Regional Office of Education's operating accounts.

Cooperative Purchasing - this fund is used to purchase paper and supplies in quantity as a single unit by participating schools in the Regional Office of Education #17.

The school district boards within the Regional Office of Education #17 have signed formal agreements that allow the Regional Office of Education #17 to retain any interest earned during the year.

**Measurement Focus and Basis of Accounting**

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

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

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the DeWitt, Livingston, and McLean Counties Regional Office of Education #17.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 records on-behalf payments made by the State to the Teachers' Retirement System as revenue and expenditures.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007**

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

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, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 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 net assets available to finance the program. It is DeWitt, Livingston, and McLean Counties Regional Office of Education #17's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

The proprietary fund of DeWitt, Livingston, and McLean Counties Regional Office of Education #17 applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 maintains its financial records on the cash basis. The financial statements of DeWitt, Livingston, and McLean Counties Regional Office of Education #17 are prepared by making memorandum adjusting entries to the cash basis financial records.

**Assets, Liabilities and Fund Equity**

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

Cash and investments - The cash and investment balances of DeWitt, Livingston, and McLean Counties Regional Office of Education #17 are valued at cost.

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007**

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

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

Capital assets - Capital assets, which include property, furniture and equipment, are reported in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by DeWitt, Livingston, and McLean Counties Regional Office of Education #17 as assets with an initial, individual cost in excess of \$500 and estimated useful lives in excess of two years. Capital assets are depreciated using the straight line method over 5-10 years.

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. 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. There are no material accumulations of sick pay or vacation pay at June 30, 2007.

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.

Restricted net assets - In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007**

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

**Budgets and Budgetary Accounting**

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 prepares a budget for each of its grants and for the support it receives from its three counties. Some of these budgets cover different periods than the Regional Office of Education #17's fiscal year.

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17's accounting records must be sophisticated enough to both (1) assure and demonstrate compliance with each budget during the period it covers and (2) also permit the reporting of the financial position and results of operations of each fund and fund type in GAAP financial statements covering its fiscal year.

Budgetary comparisons and budgetary compliance are discussed in Note 6 - Budgetary comparisons and budgetary compliance.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

The deposit of DeWitt, Livingston, and McLean Counties Regional Office of Education #17 monies is governed by the provisions of the Illinois Compiled Statutes.

**Deposits**

At June 30, 2007, the carrying amount of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's deposits was \$1,554,835 and the bank balance was \$2,052,576.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, DeWitt, Livingston, and McLean Counties Regional Office of Education #17's deposits may not be returned. DeWitt, Livingston, and McLean Counties Regional Office of Education #17 does not have a deposit policy for custodial credit risk. As of June 30, 2007, all of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's deposits were either covered by FDIC insurance or covered by collateral held by the financial institution in DeWitt, Livingston, and McLean Counties Regional Office of Education #17's name.

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

|                           | <b><u>Carrying<br/>Amount</u></b> |
|---------------------------|-----------------------------------|
| Cash - Primary Government | \$ 1,366,406                      |
| Cash - Enterprise Fund    | 22,239                            |
| Cash - Agency             | <u>166,190</u>                    |
| <b>Total</b>              | <b><u>\$ 1,554,835</u></b>        |

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 3 - ON-BEHALF PAYMENTS**

The salaries and fringe benefits of the Regional Superintendent and the Assistant Regional Superintendent are paid by the State of Illinois.

The breakdown of on-behalf payments for the year ended June 30, 2007 is as follows:

|   |                          |
|---|--------------------------|
| Regional Superintendent - salary  | \$ 88,540                |
| Regional Superintendent - benefits<br>(includes state paid insurance)           | 21,245                   |
| Assistant Regional Superintendent - salary                                      | 79,685                   |
| Assistant Regional Superintendent - benefits<br>(includes state paid insurance) | 18,695                   |
| TRS on-behalf payments  | <u>98,807</u>            |
| <b>Total on-behalf payments</b>   | <b><u>\$ 306,972</u></b> |

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

**NOTE 4 - EMPLOYEE BENEFIT PLAN**

The Regional Office of Education #17's employees are covered under the Illinois Municipal Retirement Fund. Contributions to the Fund are made by DeWitt, Livingston, and McLean Counties and the Regional Office of Education #17 through grant monies on behalf of the DeWitt, Livingston, and McLean Counties Regional Office of Education staff employees and grant coordinators.

DeWitt, Livingston, and McLean Counties are participating members of the Illinois Municipal Retirement Fund whose coverage includes all Regional Office of Education #17 employees who:

- a. Occupy a job normally requiring 1,000 hours or more per year;
- b. are paid on a regular payroll from County or Regional Office of Education #17 funds;
- c. were under age sixty when first entering employment; and
- d. are not covered by another State created retirement system for the same service.

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 4 - EMPLOYEE BENEFIT PLAN (CONTINUED)**

The Superintendent of DeWitt, Livingston, and McLean Counties Regional Office of Education is paid by the State of Illinois. Certain staff employees of the Regional Office of Education #17's office are employed and paid by DeWitt, Livingston, and McLean Counties (other support staff and grant coordinators are paid by the Region through grant monies). DeWitt, Livingston, and McLean Counties Regional Office of Education has no separate employee benefit plan.

Illinois Municipal Retirement Fund

The Regional Office of Education #17's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at [www.imrf.org/pubs/pubs\\_homepage.htm](http://www.imrf.org/pubs/pubs_homepage.htm) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Regional Office of Education #17 is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 10.46 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2006 was 5 years.

For December 31, 2006, the Regional Office of Education #17's annual pension cost of \$91,595 was equal to the Regional Office of Education #17's required and actual contributions. The required contribution was determined as part of the December 31, 2003 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative 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 IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2006 actuarial valuation were based on the 2002-2004 experience study.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 4 - EMPLOYEE BENEFIT PLAN (CONTINUED)**

| <b>TREND INFORMATION</b>                |                                      |  |                                   |
|---|--------------------------------------|--|-----------------------------------|
| <u>Actuarial<br/>Valuation<br/>Date</u> | <u>Annual Pension<br/>Cost (APC)</u> | <u>Percentage<br/>of APC<br/>Contributed</u> | <u>Net Pension<br/>Obligation</u> |
| 12/31/06                                | \$ 124,856                           | 100%   | \$ -                              |
| 12/31/05                                | 91,595                               | 100%   | -                                 |
| 12/31/04                                | 94,234                               | 100%   | -                                 |
| 12/31/03                                | 48,073                               | 100%   | -                                 |
| 12/31/02                                | 77,465                               | 100%   | -                                 |
| 12/31/01                                | 87,473                               | 100%   | -                                 |
| 12/31/00                                | 86,630                               | 100%   | -                                 |
| 12/31/99                                | 81,771                               | 100%   | -                                 |
| 12/31/98                                | 76,577                               | 100%   | -                                 |
| 12/31/97                                | 51,171                               | 100%   | -                                 |

**NOTE 5 - RETIREMENT PLANS**

Teachers' Retirement System of the State of Illinois

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

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2007, 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. In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The Regional Office of Education #17 THIS Fund contribution was 0.6 percent during the year ended June 30, 2007, and the member THIS Fund health insurance contribution was 0.80 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #17's TRS-covered employees.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 5 - RETIREMENT PLANS (CONTINUED)**

- **On-behalf Contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #17. For the year ended June 30, 2007, the State of Illinois contributions were based on 9.78 percent of creditable earnings, and the Regional Office of Education #17 recognized revenue and expenditures of \$98,807 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2006, and June 30, 2005, the State of Illinois contribution rates as percentages of creditable earnings were 7.06 percent (\$93,865) and 9 percent (\$77,937), respectively.

The state contributions to TRS for the years ended June 30, 2007 and June 30, 2006 were based on dollar amounts specified by the statute and were not actuarially determined. The state contributions for the year ended June 30, 2005 were based on an actuarial formula.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 makes other types of employer contributions directly to TRS.

- **2.2 Formula Contributions.** Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contribution for the year ended June 30, 2007 was \$5,868. Contributions for the years ending June 30, 2006, and June 30, 2005, were \$5,792 and \$2,232, respectively.
- **Federal and Trust Fund Contributions.** When TRS members are paid from federal and trust funds administered by the Regional Office of Education #17, there is a statutory requirement for the Regional Office of Education #17 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions paid from federal and trust funds will be the same as the state contribution rate for TRS. For the year ended June 30, 2007, the employer pension contribution was 9.78 percent of salaries paid from federal and trust funds. For the two years ended June 30, 2006, the employer pension contribution was 7.06 percent of salaries paid from those funds. For the year ended June 30, 2005, the employer pension contribution was 10.5 percent of salaries paid from those funds. For the year ended June 30, 2007, salaries totaling \$103,137 were paid from federal and trust funds that required employer contributions of \$10,087. For the years ended June 30, 2006 and June 30, 2005, required Regional Office of Education contributions were \$11,084 and \$18,082, respectively.
- **Early Retirement Option.** The Regional Office of Education #17 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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

**NOTE 5 - RETIREMENT PLANS (CONTINUED)**

contributions that had been in effect for members with 34 years of service (unless the member qualifies in the Pipeline ERO). Under the ERO program that expired on June 30, 2005, and the Pipeline ERO, the maximum employer contribution is 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, 2007, the Regional Office of Education paid \$68,093. For the years ended June 30, 2005, and June 30, 2004, the Regional Office of Education #17 paid no employer contributions under the Early Retirement Option.

- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two new employer contributions to TRS.
  - If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases up to 6 percent. For the years ended June 30, 2007 and June 30, 2006, the Regional Office of Education #17 did not make any contributions to TRS for salary increases in excess of 6 percent.
  - If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.60 percent of salary during the year ended June 30, 2007). For the years ended June 30, 2007 and June 30, 2006, the Regional Office of Education #17 did not make any contributions to TRS for sick leave days granted in excess of the normal annual allotment.

TRS financial information, an explanation of TRS' benefits, and descriptions of member, employer and state funding requirements can be found in the TRS Comprehensive Annual Financial Report for the year ended June 30, 2006. The report for the year ended June 30, 2007, is expected to be available in late 2007. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at [www.trs.state.il.us](http://www.trs.state.il.us).

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 6 - BUDGETARY COMPARISONS AND BUDGETARY COMPLIANCE**

To demonstrate compliance with applicable budgetary requirements, GAAP financial statements generally include comparisons of actual results of operations to budgeted amounts for individual funds for which a budget is adopted for the period covered by the budget. Regional Office of Education #17 did not formally adopt a budget for the year ended June 30, 2006 and is not legally required to do so. The Illinois State Board of Education requires budgets for certain state and federal programs. Budgets for the Regional Office of Education #17's state and federal grant funds cover various periods. Budgetary comparisons for those periods are presented on page 68 for the ROE/ISC Operations Fund and pages 85-88 for the following grants: Secretary of State's Literacy Grant, Truants Alternative/Optional Education, Adult Education Programs, SOS Family Literacy, Early Childhood Block Grant, Evenstart Family Literacy, English Language Civics Grant, McLean County Jail Education Development, and Regional Safe Schools. Budget information for County Support Fund can be found on page 68.

To qualify for reimbursement, grant expenditures must be obligated by the end of the applicable budget period and liquidated within 90 days thereafter.

To qualify for reimbursement, grant expenditures must also not exceed approved budgeted amounts for a particular function (Improvement of Instruction Services, General Administration, Fiscal Services, etc.) and object (Salaries, Employee Benefits, Purchase Services, etc.) account code combinations by the greater of \$1,000 or 20% of the approved budgeted amount. Amendments to shift amounts from one function/object account code combination to another must be submitted to the ISBE for approval by 30 days prior to the end of the applicable budget period.

All grant expenditure amounts for which the Regional Office of Education #17 claimed reimbursement, and for which grant revenue is reported in these financial statements, were obligated and liquidated on a timely basis. All such expenditure amounts were within the function/object account classification limits of final approved amended budgets.

**NOTE 7 - CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2007 is as follows:

|                               | <u>Balance<br/>June 30,<br/>2006</u> | <u>Additions</u> | <u>Deletions</u>  | <u>Balance<br/>June 30,<br/>2007</u> |
|-------------------------------|--------------------------------------|------------------|-------------------|--------------------------------------|
| Governmental activities:      |                                      |                  |                   |                                      |
| Furniture and equipment       | \$ 794,708                           | \$ 53,715        | \$ (12,000)       | \$ 836,423                           |
| Leasehold Improvement         | -                                    | 33,201           | -                 | 33,201                               |
| Less accumulated depreciation | <u>308,787</u>                       | <u>73,672</u>    | <u>(10,900)</u>   | <u>371,559</u>                       |
| Total capital assets, net     | <u>\$ 485,921</u>                    | <u>\$ 13,244</u> | <u>\$ (1,100)</u> | <u>\$ 498,065</u>                    |

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

**NOTE 7 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged as follows:

Governmental activities:

Education:

|                                     |                  |
|-------------------------------------|------------------|
| Depreciation and disposition losses | <u>\$ 74,772</u> |
|-------------------------------------|------------------|

The Regional Office of Education #17 has committed to the purchase of additional leasehold improvements at June 30, 2007 totaling \$73,000.

**NOTE 8 - DISPOSITION OF DISTRIBUTIVE FUND INTEREST**

The school district boards within the Regional Office of Education #17 have signed formal agreements that allow the Regional Office of Education #17 to retain any interest earned during the year.

**NOTE 9 - OPERATING LEASES**

The Regional Office of Education #17 entered into a lease for an Alternative School classroom and administrative space. The lease calls for monthly payments of \$7,527 beginning on July 1, 2002 for ten years with five one-year options. Beginning July 1, 2006, an additional 2% increase will occur every 2 years until lease termination. The lease calls for improvements to be made by the landlord and additional payments by the tenant. Total rental expense for the year ended June 30, 2007 was \$92,126.

The Regional Office of Education #17 entered into a lease for the Special Services program office complex. The lease calls for monthly payments of \$1,750 beginning on June 1, 2006 for eight years and then from year to year. Beginning June 1, 2007, the monthly payment increased to \$1,900. The lease calls for improvements to be made by the landlord and additional payments by the tenant. Total rental expense for the year ended June 30, 2007 was \$21,150.

The Regional Office of Education #17 entered into a lease for an Alternative School classroom and administrative space. The lease calls for monthly payments of \$2,000 beginning on August 1, 2007 for five years. The lease calls for improvements to be made by the landlord and additional payments by the tenant. There were no rental payments made during the fiscal year although some leasehold improvements were made. See Note 7 - Capital Assets for more information.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 9 - OPERATING LEASES (CONTINUED)**

Future lease obligations are as follows:

|                            |                          |
|----------------------------|--------------------------|
| <u>Year Ended June 30,</u> |                          |
| 2008                       | \$ 136,926               |
| 2009                       | 140,769                  |
| 2010                       | 140,769                  |
| 2011                       | 142,648                  |
| 2012                       | 142,648                  |
| Later years                | <u>45,700</u>            |
| <b>Total</b>               | <b><u>\$ 749,460</u></b> |

**NOTE 10 - DUE TO/FROM OTHER GOVERNMENTS**

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17's General, Special Revenue, and Agency Funds have funds due to and due from various other governmental units which consist of the following:

|                                   |                          |
|-----------------------------------|--------------------------|
| Due From Other Governments        |                          |
| <u>Other Nonmajor Funds</u>       |                          |
| General Education Development     | \$ 18,306                |
| <u>Education Fund</u>             |                          |
| Illinois State Board of Education | 21,908                   |
| Local Governments                 | 7,700                    |
| State Governments                 | <u>66,512</u>            |
|                                   | <b><u>\$ 114,426</u></b> |
| Due to Other Governments          |                          |
| <u>Education Fund</u>             |                          |
| Illinois Community College Board  | <u>\$ 287</u>            |

**NOTE 11 - RISK MANAGEMENT**

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 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. DeWitt, Livingston, and McLean Counties Regional Office of Education #17 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.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 12 - DEFICIT FUND BALANCES**

The following funds had deficit fund balances at June 30, 2007. The deficits will be covered by normal operations or fund transfers.

|  |             |
|--|-------------|
| Education Fund                         |             |
| Truants Alternative/Optional Education | \$ (11,001) |
| SOS Family Literacy                    | (1,027)     |
| Evenstart Family Literacy              | (428)       |
| Induction Leadership                   | (4,865)     |
| Implementing Math                      | (1,452)     |
| Mentoring                              | (1,963)     |
| Title I Neglect                        | (43)        |
| Illinois Reading Grant                 | (164)       |
| Ross Grant                             | (5,275)     |
| Reluctant Learner                      | (3,195)     |
| Nonmajor Special Revenue Funds         |             |
| Bus Driver Training                    | (3,954)     |

**NOTE 13 - NEW PRONOUNCEMENTS**

In 2007, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 adopted Governmental Accounting Standards Board (GASB) Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. The Regional Office of Education implemented this standard during the current year; however, it does not have a significant impact on the financial statements.

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

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SCHEDULE OF FUNDING PROGRESS -  
ILLINOIS MUNICIPAL RETIREMENT FUND  
(Unaudited)  
June 30, 2007**

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

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Entry Age<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage<br>of Covered<br>Payroll<br>((b-a)/c) |
|--------------------------------|--|--|------------------------------------|--------------------------|---------------------------|---|
| 12/31/06                       | \$1,953,006                            | \$2,090,207  | \$ 137,201                         | 93.44%                   | \$ 920,087                | 14.91%  |
| 12/31/05                       | 1,753,339                              | 1,843,443  | 90,104                             | 95.11%                   | 875,666                   | 10.29%  |
| 12/31/04                       | 1,527,301                              | 1,743,818  | 216,517                            | 87.58%                   | 886,129                   | 24.43%  |
| 12/31/03                       | 1,367,099                              | 1,464,488  | 97,389                             | 93.35%                   | 903,634                   | 10.78%  |
| 12/31/02                       | 1,297,751                              | 1,307,882  | 10,131                             | 99.23%                   | 883,294                   | 1.15%   |
| 12/31/01                       | 1,219,561                              | 1,141,908  | (77,653)                           | 106.80%                  | 867,784                   | 0.00%   |
| 12/31/00                       | 1,031,567                              | 1,051,672  | 20,105                             | 98.09%                   | 799,174                   | 2.52%   |
| 12/31/99                       | 808,577                                | 883,554  | 74,977                             | 91.51%                   | 695,333                   | 10.78%  |
| 12/31/98                       | 600,850                                | 715,539  | 114,689                            | 83.97%                   | 616,563                   | 18.60%  |
| 12/31/97                       | 548,097                                | 676,272  | 128,175                            | 81.05%                   | 554,567                   | 23.11%  |

On a market value basis, the actuarial value of assets as of December 31, 2006 is \$2,077,886.  
On a market basis, the funded ratio would be 99.41%.

**\*Digest of Changes**

The actuarial assumptions used to determine the actuarial accrued liability for 2006 are based on the 2002-2004 Experience Study. The principal changes were:

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

SLEP Member contribution rate changed from 6.50% to 7.50% effective June 1, 2006.

**SUPPLEMENTAL INFORMATION**

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND ACCOUNTS  
June 30, 2007

|   | <u>County<br/>Fund</u> | <u>Indirect<br/>Cost and<br/>Interest Fund</u> | <u>ROE/ISC<br/>Operations<br/>Fund</u> | <u>Totals</u>     |
|---|------------------------|--|--|-------------------|
| <b>ASSETS</b>   |                        |  |  |                   |
| Cash and cash equivalents                                 | \$ 113,371             | \$ 61,464                                      | \$ 26,184                              | \$ 201,019        |
| <b>LIABILITIES AND FUND BALANCE</b>                       |                        |  |  |                   |
| <b>LIABILITIES</b>  |                        |  |  |                   |
| None  | \$ -                   | \$ -   | \$ -                                   | \$ -              |
| <b>FUND BALANCE, UNRESERVED</b>                           | <u>113,371</u>         | <u>61,464</u>                                  | <u>26,184</u>                          | <u>201,019</u>    |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCE, UNRESERVED</b> | <u>\$ 113,371</u>      | <u>\$ 61,464</u>                               | <u>\$ 26,184</u>                       | <u>\$ 201,019</u> |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 Year Ended June 30, 2007

|  | <u>County<br/>Fund</u> | <u>Indirect<br/>Cost and<br/>Interest Fund</u> | <u>ROE/ISC<br/>Operations<br/>Fund</u> | <u>Totals</u>     |
|--|------------------------|--|--|-------------------|
| <b>REVENUES:</b>   |                        |  |  |                   |
| Local sources  | \$ 297,829             | \$ 18,887                                      | \$ -                                   | \$ 316,716        |
| State sources  | -                      | -  | 107,290                                | 107,290           |
| On-behalf payments   | 306,972                | -  | -                                      | 306,972           |
|  | <u>604,801</u>         | <u>18,887</u>                                  | <u>107,290</u>                         | <u>730,978</u>    |
| Total revenues   |                        |  |  |                   |
| <b>EXPENDITURES:</b>                                       |                        |  |  |                   |
| Current:   |                        |  |  |                   |
| Instructional services:                                    |                        |  |  |                   |
| Salaries and benefits                                      | 281,268                | -  | 46,621                                 | 327,889           |
| Purchased services   | 37,343                 | 19,563   | 60,669                                 | 117,575           |
| Supplies and materials                                     | 5,650                  | 3,604  | -                                      | 9,254             |
| Capital outlay   | 2,315                  | 717  | -                                      | 3,032             |
| On-behalf payments   | 306,972                | -  | -                                      | 306,972           |
|  | <u>633,548</u>         | <u>23,884</u>                                  | <u>107,290</u>                         | <u>764,722</u>    |
| Total expenditures   |                        |  |  |                   |
| <b>NET CHANGE IN FUND BALANCES</b>                         | (28,747)               | (4,997)  | -                                      | (33,744)          |
| <b>FUND BALANCE,<br/>UNRESERVED,<br/>BEGINNING OF YEAR</b> | <u>142,118</u>         | <u>66,461</u>                                  | <u>26,184</u>                          | <u>234,763</u>    |
| <b>FUND BALANCE,<br/>UNRESERVED, END OF YEAR</b>           | <u>\$ 113,371</u>      | <u>\$ 61,464</u>                               | <u>\$ 26,184</u>                       | <u>\$ 201,019</u> |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND ACCOUNTS  
 Year Ended June 30, 2007

|  | County Fund             |                |                       |                                   | ROE/ISC Operations      |                |                       |                                   |
|--|-------------------------|----------------|-----------------------|-----------------------------------|-------------------------|----------------|-----------------------|-----------------------------------|
|  | <u>Budgeted Amounts</u> |                | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> | <u>Budgeted Amounts</u> |                | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|  | <u>Original</u>         | <u>Final</u>   |                       |                                   | <u>Original</u>         | <u>Final</u>   |                       |                                   |
| <b>REVENUES:</b>                       |                         |                |                       |                                   |                         |                |                       |                                   |
| Local sources                          | \$ 360,110              | \$ 360,110     | \$ 297,829            | \$ (62,281)                       | \$ -                    | \$ -           | \$ -                  | \$ -                              |
| State sources                          | -                       | -              | -                     | -                                 | 107,290                 | 107,290        | 107,290               | -                                 |
| On-behalf payments                     | -                       | -              | 306,972               | 306,972                           | -                       | -              | -                     | -                                 |
| Total revenues                         | <u>360,110</u>          | <u>360,110</u> | <u>604,801</u>        | <u>244,691</u>                    | <u>107,290</u>          | <u>107,290</u> | <u>107,290</u>        | <u>-</u>                          |
| <b>EXPENDITURES:</b>                   |                         |                |                       |                                   |                         |                |                       |                                   |
| Current:                               |                         |                |                       |                                   |                         |                |                       |                                   |
| Instructional services:                |                         |                |                       |                                   |                         |                |                       |                                   |
| Salaries and benefits                  | 312,031                 | 312,031        | 281,268               | 30,763                            | 57,574                  | 47,922         | 46,621                | 1,301                             |
| Purchased services                     | 28,830                  | 28,830         | 37,343                | (8,513)                           | 49,716                  | 59,368         | 60,669                | (1,301)                           |
| Supplies and materials                 | 19,249                  | 19,249         | 5,650                 | 13,599                            | -                       | -              | -                     | -                                 |
| Capital outlay                         | -                       | -              | 2,315                 | (2,315)                           | -                       | -              | -                     | -                                 |
| On-behalf payments                     | -                       | -              | 306,972               | (306,972)                         | -                       | -              | -                     | -                                 |
| Total expenditures                     | <u>360,110</u>          | <u>360,110</u> | <u>633,548</u>        | <u>(273,438)</u>                  | <u>107,290</u>          | <u>107,290</u> | <u>107,290</u>        | <u>-</u>                          |
| <b>NET CHANGE IN FUND BALANCE</b>      | <u>\$ -</u>             | <u>\$ -</u>    | <u>(28,747)</u>       | <u>\$ (28,747)</u>                | <u>\$ -</u>             | <u>\$ -</u>    | <u>-</u>              | <u>\$ -</u>                       |
| <b>FUND BALANCE, BEGINNING OF YEAR</b> |                         |                | <u>142,118</u>        |                                   |                         |                | <u>26,184</u>         |                                   |
| <b>FUND BALANCE, END OF YEAR</b>       |                         |                | <u>\$ 113,371</u>     |                                   |                         |                | <u>\$ 26,184</u>      |                                   |

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND ACCOUNTS  
June 30, 2007**

**SCHEDULE 4**

|  | <b>D.O.R.S.<br/>Program<br/>Step<br/>Grant</b> | <b>Secretary<br/>of State's<br/>Literacy<br/>Grant</b> | <b>Penny<br/>Severns<br/>Grant</b> | <b>Truants<br/>Alternative/<br/>Optional<br/>Education</b> | <b>Adult<br/>Education<br/>Programs</b> | <b>Scientific<br/>Literacy</b> |
|--|--|--|------------------------------------|--|---|--------------------------------|
| <b>ASSETS</b>  |  |  |                                    |  |   |                                |
| Cash (overdrafts) and cash equivalents                   | \$ 8,307                                       | \$ (144)   | \$ 361                             | \$ (11,001)  | \$ 29,246                               | \$ 471                         |
| Due from other governments                               | <u>-</u>                                       | <u>404</u>   | <u>-</u>                           | <u>-</u>   | <u>-</u>                                | <u>-</u>                       |
| <b>TOTAL ASSETS</b>                                      | <b><u>\$ 8,307</u></b>                         | <b><u>\$ 260</u></b>                                   | <b><u>\$ 361</u></b>               | <b><u>\$ (11,001)</u></b>                                  | <b><u>\$ 29,246</u></b>                 | <b><u>\$ 471</u></b>           |
| <b>LIABILITIES AND<br/>FUND BALANCES (DEFICIT)</b>       |  |  |                                    |  |   |                                |
| <b>LIABILITIES</b>                                       |  |  |                                    |  |   |                                |
| Accrued expenses   | \$ -   | \$ -   | \$ -                               | \$ -   | \$ 58                                   | \$ -                           |
| Due to other governments                                 | -  | -  | -                                  | -  | 287                                     | -                              |
| Deferred revenue   | <u>8,307</u>                                   | <u>-</u>   | <u>-</u>                           | <u>-</u>   | <u>-</u>                                | <u>-</u>                       |
| Total liabilities  | 8,307  | -  | -                                  | -  | 345                                     | -                              |
| <b>FUND BALANCES (DEFICIT)</b>                           |  |  |                                    |  |   |                                |
| Unreserved   | <u>-</u>                                       | <u>260</u>   | <u>361</u>                         | <u>(11,001)</u>  | <u>28,901</u>                           | <u>471</u>                     |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES (DEFICIT)</b> | <b><u>\$ 8,307</u></b>                         | <b><u>\$ 260</u></b>                                   | <b><u>\$ 361</u></b>               | <b><u>\$ (11,001)</u></b>                                  | <b><u>\$ 29,246</u></b>                 | <b><u>\$ 471</u></b>           |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 June 30, 2007

SCHEDULE 4  
 (CONTINUED)

|  | <u>SOS</u>      | <u>Career</u>        | <u>Education</u> | <u>Partnering</u> | <u>ROE/ISC</u>     | <u>Early</u>       |
|--|-----------------|----------------------|------------------|-------------------|--------------------|--------------------|
|  | <u>Family</u>   | <u>Awareness and</u> | <u>To</u>        | <u>NCLB</u>       | <u>School</u>      | <u>Childhood</u>   |
|  | <u>Literacy</u> | <u>Development</u>   | <u>Careers</u>   |                   | <u>Improvement</u> | <u>Block Grant</u> |
| <b>ASSETS</b>  |                 |                      |                  |                   |                    |                    |
| Cash (overdrafts) and cash equivalents                   | \$ 2,538        | \$ 1,669             | \$ 12,310        | \$ 4,800          | \$ 506             | \$ (13,045)        |
| Due from other governments                               | -               | -                    | -                | -                 | -                  | 13,272             |
| <b>TOTAL ASSETS</b>                                      | <u>\$ 2,538</u> | <u>\$ 1,669</u>      | <u>\$ 12,310</u> | <u>\$ 4,800</u>   | <u>\$ 506</u>      | <u>\$ 227</u>      |
| <b>LIABILITIES AND<br/>FUND BALANCES (DEFICIT)</b>       |                 |                      |                  |                   |                    |                    |
| <b>LIABILITIES</b>                                       |                 |                      |                  |                   |                    |                    |
| Accrued expenses   | \$ 3,565        | \$ -                 | \$ -             | \$ -              | \$ -               | \$ -               |
| Due to other governments                                 | -               | -                    | -                | -                 | -                  | -                  |
| Deferred revenue   | -               | -                    | -                | -                 | -                  | -                  |
| Total liabilities  | <u>3,565</u>    | <u>-</u>             | <u>-</u>         | <u>-</u>          | <u>-</u>           | <u>-</u>           |
| <b>FUND BALANCES (DEFICIT)</b>                           |                 |                      |                  |                   |                    |                    |
| Unreserved   | <u>(1,027)</u>  | <u>1,669</u>         | <u>12,310</u>    | <u>4,800</u>      | <u>506</u>         | <u>227</u>         |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES (DEFICIT)</b> | <u>\$ 2,538</u> | <u>\$ 1,669</u>      | <u>\$ 12,310</u> | <u>\$ 4,800</u>   | <u>\$ 506</u>      | <u>\$ 227</u>      |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 June 30, 2007

SCHEDULE 4  
 (CONTINUED)

|  | <u>Evenstart<br/>Family<br/>Literacy</u> | <u>English<br/>Language<br/>Civics<br/>Grant</u> | <u>Induction<br/>Leadership</u> | <u>Work<br/>Experience<br/>and Career<br/>Exploration<br/>Program</u> | <u>Illinois<br/>Violence<br/>Prevention<br/>Authority</u> | <u>Title I -<br/>Reading<br/>First - SEA<br/>Part B</u> |
|--|--|--|---------------------------------|---|---|---|
| <b>ASSETS</b>  |  |  |                                 |   |   |   |
| Cash (overdrafts) and cash equivalents                   | \$ 20,634                                | \$ 1,151   | \$ 2,806                        | \$ 724  | \$ 13,673   | \$ 1,556  |
| Due from other governments                               | <u>376</u>                               | <u>-</u>   | <u>-</u>                        | <u>-</u>  | <u>-</u>  | <u>-</u>  |
| <b>TOTAL ASSETS</b>                                      | <u>\$ 21,010</u>                         | <u>\$ 1,151</u>                                  | <u>\$ 2,806</u>                 | <u>\$ 724</u>   | <u>\$ 13,673</u>  | <u>\$ 1,556</u>   |
| <b>LIABILITIES AND<br/>FUND BALANCES (DEFICIT)</b>       |  |  |                                 |   |   |   |
| <b>LIABILITIES</b>                                       |  |  |                                 |   |   |   |
| Accrued expenses   | \$ -                                     | \$ -   | \$ -                            | \$ -  | \$ -  | \$ -  |
| Due to other governments                                 | -  | -  | -                               | -   | -   | -   |
| Deferred revenue   | <u>21,438</u>                            | <u>-</u>   | <u>7,671</u>                    | <u>724</u>  | <u>-</u>  | <u>-</u>  |
| Total liabilities  | 21,438                                   | -  | 7,671                           | 724   | -   | -   |
| <b>FUND BALANCES (DEFICIT)</b>                           |  |  |                                 |   |   |   |
| Unreserved   | <u>(428)</u>                             | <u>1,151</u>                                     | <u>(4,865)</u>                  | <u>-</u>  | <u>13,673</u>   | <u>1,556</u>  |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES (DEFICIT)</b> | <u>\$ 21,010</u>                         | <u>\$ 1,151</u>                                  | <u>\$ 2,806</u>                 | <u>\$ 724</u>   | <u>\$ 13,673</u>  | <u>\$ 1,556</u>   |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 June 30, 2007

SCHEDULE 4  
 (CONTINUED)

|  | <u>Implementing<br/>Math</u> | <u>Chestnut</u> | <u>Mentoring</u>  | <u>SBC<br/>Foundation<br/>Grant</u> | <u>McLean<br/>County Jail<br/>Education<br/>Development</u> |
|--|------------------------------|-----------------|-------------------|-------------------------------------|---|
| <b>ASSETS</b>  |                              |                 |                   |                                     |   |
| Cash (overdrafts) and cash equivalents                   | \$ (1,452)                   | \$ 406          | \$ (1,963)        | \$ 2,694                            | \$ 17,607   |
| Due from other governments                               | -                            | -               | -                 | -                                   | 7,700   |
| <b>TOTAL ASSETS</b>                                      | <u>\$ (1,452)</u>            | <u>\$ 406</u>   | <u>\$ (1,963)</u> | <u>\$ 2,694</u>                     | <u>\$ 25,307</u>  |
| <b>LIABILITIES AND<br/>FUND BALANCES (DEFICIT)</b>       |                              |                 |                   |                                     |   |
| <b>LIABILITIES</b>                                       |                              |                 |                   |                                     |   |
| Accrued expenses   | \$ -                         | \$ -            | \$ -              | \$ -                                | \$ -  |
| Due to other governments                                 | -                            | -               | -                 | -                                   | -   |
| Deferred revenue   | -                            | -               | -                 | -                                   | -   |
| Total liabilities  | -                            | -               | -                 | -                                   | -   |
| <b>FUND BALANCES (DEFICIT)</b>                           |                              |                 |                   |                                     |   |
| Unreserved   | (1,452)                      | 406             | (1,963)           | 2,694                               | 25,307  |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES (DEFICIT)</b> | <u>\$ (1,452)</u>            | <u>\$ 406</u>   | <u>\$ (1,963)</u> | <u>\$ 2,694</u>                     | <u>\$ 25,307</u>  |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 June 30, 2007

SCHEDULE 4  
 (CONTINUED)

|  | <u>Donations<br/>Literacy<br/>Inservice</u> | <u>Youthbuild</u> | <u>Youth<br/>Impact</u> | <u>Regional<br/>Safe Schools</u> | <u>Scoop<br/>Dreams<br/>GED</u> |
|--|---|-------------------|-------------------------|----------------------------------|---------------------------------|
| <b>ASSETS</b>  |   |                   |                         |                                  |                                 |
| Cash (overdrafts) and cash equivalents                   | \$ 39,899                                   | \$ 14,861         | \$ 43,608               | \$ 99,850                        | \$ 2                            |
| Due from other governments                               | -   | -                 | -                       | -                                | -                               |
| <b>TOTAL ASSETS</b>                                      | <u>\$ 39,899</u>                            | <u>\$ 14,861</u>  | <u>\$ 43,608</u>        | <u>\$ 99,850</u>                 | <u>\$ 2</u>                     |
| <b>LIABILITIES AND<br/>FUND BALANCES (DEFICIT)</b>       |   |                   |                         |                                  |                                 |
| <b>LIABILITIES</b>                                       |   |                   |                         |                                  |                                 |
| Accrued expenses   | \$ -  | \$ -              | \$ -                    | \$ 373                           | \$ -                            |
| Due to other governments                                 | -   | -                 | -                       | -                                | -                               |
| Deferred revenue   | -   | -                 | 4,000                   | -                                | -                               |
| Total liabilities  | <u>-</u>                                    | <u>-</u>          | <u>4,000</u>            | <u>373</u>                       | <u>-</u>                        |
| <b>FUND BALANCES (DEFICIT)</b>                           |   |                   |                         |                                  |                                 |
| Unreserved   | <u>39,899</u>                               | <u>14,861</u>     | <u>39,608</u>           | <u>99,477</u>                    | <u>2</u>                        |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES (DEFICIT)</b> | <u>\$ 39,899</u>                            | <u>\$ 14,861</u>  | <u>\$ 43,608</u>        | <u>\$ 99,850</u>                 | <u>\$ 2</u>                     |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 June 30, 2007

SCHEDULE 4  
 (CONTINUED)

|  | <u>Scoop<br/>Dreams<br/>Grant</u> | <u>Continuum<br/>of Care</u> | <u>Livingston<br/>County<br/>Alternative<br/>School</u> | <u>Heart of<br/>Illinois<br/>Low<br/>Incidence</u> | <u>Regional<br/>Alternative<br/>School</u> |
|--|-----------------------------------|------------------------------|---|--|--|
| <b>ASSETS</b>  |                                   |                              |   |  |  |
| Cash (overdrafts) and cash equivalents                   | \$ 1,470                          | \$ 1,689                     | \$ -  | \$ 4,670   | \$ 701,540                                 |
| Due from other governments                               | -                                 | -                            | -   | -  | -  |
| <b>TOTAL ASSETS</b>                                      | <u>\$ 1,470</u>                   | <u>\$ 1,689</u>              | <u>\$ -</u>   | <u>\$ 4,670</u>                                    | <u>\$ 701,540</u>                          |
| <b>LIABILITIES AND<br/>FUND BALANCES (DEFICIT)</b>       |                                   |                              |   |  |  |
| <b>LIABILITIES</b>                                       |                                   |                              |   |  |  |
| Accrued expenses   | \$ -                              | \$ -                         | \$ -  | \$ -   | \$ -                                       |
| Due to other governments                                 | -                                 | -                            | -   | -  | -  |
| Deferred revenue   | -                                 | -                            | -   | -  | -  |
| Total liabilities  | <u>-</u>                          | <u>-</u>                     | <u>-</u>  | <u>-</u>   | <u>-</u>                                   |
| <b>FUND BALANCES (DEFICIT)</b>                           |                                   |                              |   |  |  |
| Unreserved   | <u>1,470</u>                      | <u>1,689</u>                 | <u>-</u>  | <u>4,670</u>                                       | <u>701,540</u>                             |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES (DEFICIT)</b> | <u>\$ 1,470</u>                   | <u>\$ 1,689</u>              | <u>\$ -</u>   | <u>\$ 4,670</u>                                    | <u>\$ 701,540</u>                          |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 June 30, 2007

SCHEDULE 4  
 (CONTINUED)

|  | <u>Title I</u><br><u>Neglect</u> | <u>Illinois</u><br><u>Reading</u><br><u>Grant</u> | <u>Standards</u><br><u>Aligned</u><br><u>Classroom</u> | <u>Ross</u><br><u>Grant</u> | <u>State</u><br><u>Farm</u><br><u>Grants</u> |
|--|----------------------------------|---|--|-----------------------------|--|
| <b>ASSETS</b>  |                                  |   |  |                             |  |
| Cash (overdrafts) and cash equivalents                   | \$ 7,220                         | \$ (164)  | \$ (6,215)   | \$ (5,275)                  | \$ 12,980                                    |
| Due from other governments                               | -                                | -   | 66,108   | -                           | -  |
| <b>TOTAL ASSETS</b>                                      | <u>\$ 7,220</u>                  | <u>\$ (164)</u>                                   | <u>\$ 59,893</u>                                       | <u>\$ (5,275)</u>           | <u>\$ 12,980</u>                             |
| <b>LIABILITIES AND<br/>FUND BALANCES (DEFICIT)</b>       |                                  |   |  |                             |  |
| <b>LIABILITIES</b>                                       |                                  |   |  |                             |  |
| Accrued expenses   | \$ -                             | \$ -  | \$ -   | \$ -                        | \$ -   |
| Due to other governments                                 | -                                | -   | -  | -                           | -  |
| Deferred revenue   | 7,263                            | -   | -  | -                           | -  |
| Total liabilities  | <u>7,263</u>                     | <u>-</u>  | <u>-</u>   | <u>-</u>                    | <u>-</u>                                     |
| <b>FUND BALANCES (DEFICIT)</b>                           |                                  |   |  |                             |  |
| Unreserved   | <u>(43)</u>                      | <u>(164)</u>                                      | <u>59,893</u>  | <u>(5,275)</u>              | <u>12,980</u>                                |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES (DEFICIT)</b> | <u>\$ 7,220</u>                  | <u>\$ (164)</u>                                   | <u>\$ 59,893</u>                                       | <u>\$ (5,275)</u>           | <u>\$ 12,980</u>                             |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 June 30, 2007

SCHEDULE 4  
 (CONTINUED)

|  | <u>Title II</u><br><u>Teacher</u><br><u>Quality</u> | <u>Title V</u><br><u>Innovative</u><br><u>Programs</u> | <u>Reluctant</u><br><u>Learner</u> | <u>Illinois</u><br><u>Educators'</u><br><u>Roundtable</u> | <u>Totals</u>       |
|--|---|--|------------------------------------|---|---------------------|
| <b>ASSETS</b>  |   |  |                                    |   |                     |
| Cash (overdrafts) and cash equivalents                   | \$ (6,337)  | \$ -   | \$ (3,195)                         | \$ 15,750   | \$ 1,016,207        |
| Due from other governments                               | <u>8,260</u>  | <u>-</u>   | <u>-</u>                           | <u>-</u>  | <u>96,120</u>       |
| <b>TOTAL ASSETS</b>                                      | <u>\$ 1,923</u>                                     | <u>\$ -</u>  | <u>\$ (3,195)</u>                  | <u>\$ 15,750</u>  | <u>\$ 1,112,327</u> |
| <b>LIABILITIES AND<br/>FUND BALANCES (DEFICIT)</b>       |   |  |                                    |   |                     |
| <b>LIABILITIES</b>                                       |   |  |                                    |   |                     |
| Accrued expenses   | \$ -  | \$ -   | \$ -                               | \$ -  | \$ 3,996            |
| Due to other governments                                 | -   | -  | -                                  | -   | 287                 |
| Deferred revenue   | -   | -  | -                                  | -   | 49,403              |
| Total liabilities  | <u>-</u>  | <u>-</u>   | <u>-</u>                           | <u>-</u>  | <u>53,686</u>       |
| <b>FUND BALANCES (DEFICIT)</b>                           |   |  |                                    |   |                     |
| Unreserved   | <u>1,923</u>  | <u>-</u>   | <u>(3,195)</u>                     | <u>15,750</u>   | <u>1,058,641</u>    |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES (DEFICIT)</b> | <u>\$ 1,923</u>                                     | <u>\$ -</u>  | <u>\$ (3,195)</u>                  | <u>\$ 15,750</u>  | <u>\$ 1,112,327</u> |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2007

SCHEDULE 5

|  | D.O.R.S.<br>Program<br>Step<br><u>Grant</u> | Secretary<br>of State's<br>Literacy<br><u>Grant</u> | Penny<br>Severns<br><u>Grant</u> | Truants<br>Alternative/<br>Optional<br><u>Education</u> | Adult<br>Education<br><u>Programs</u> | Scientific<br><u>Literacy</u> |
|--|---|---|----------------------------------|---|---------------------------------------|-------------------------------|
| <b>REVENUES:</b>                                     |   |   |                                  |   |                                       |                               |
| Local sources  | \$ -  | \$ -  | \$ 4,800                         | \$ -  | \$ 2,450                              | \$ -                          |
| State sources  | 12,345                                      | 69,000  | -                                | 88,216  | 273,510                               | -                             |
| Federal sources                                      | 35,916                                      | -   | -                                | -   | 118,254                               | -                             |
| Total revenues                                       | <u>48,261</u>                               | <u>69,000</u>                                       | <u>4,800</u>                     | <u>88,216</u>   | <u>394,214</u>                        | <u>-</u>                      |
| <b>EXPENDITURES:</b>                                 |   |   |                                  |   |                                       |                               |
| Current:   |   |   |                                  |   |                                       |                               |
| Instructional services:                              |   |   |                                  |   |                                       |                               |
| Salaries and benefits                                | -   | 60,497  | 3,832                            | 68,937  | 303,833                               | -                             |
| Purchased services                                   | 48,261                                      | 3,069   | 1,438                            | 9,114   | 64,904                                | -                             |
| Supplies and materials                               | -   | 5,434   | 2,000                            | -   | 17,272                                | -                             |
| Capital outlay                                       | -   | -   | -                                | 10,555  | -                                     | -                             |
| Payments to other governments                        | -   | -   | -                                | -   | -                                     | -                             |
| Other objects  | -   | -   | -                                | -   | -                                     | -                             |
| Total expenditures                                   | <u>48,261</u>                               | <u>69,000</u>                                       | <u>7,270</u>                     | <u>88,606</u>   | <u>386,009</u>                        | <u>-</u>                      |
| <b>NET CHANGE IN<br/>FUND BALANCES</b>               | -   | -   | (2,470)                          | (390)   | 8,205                                 | -                             |
| <b>FUND BALANCE (DEFICIT),<br/>BEGINNING OF YEAR</b> | <u>-</u>                                    | <u>260</u>  | <u>2,831</u>                     | <u>(10,611)</u>   | <u>20,696</u>                         | <u>471</u>                    |
| <b>FUND BALANCE (DEFICIT),<br/>END OF YEAR</b>       | <u>\$ -</u>                                 | <u>\$ 260</u>                                       | <u>\$ 361</u>                    | <u>\$ (11,001)</u>                                      | <u>\$ 28,901</u>                      | <u>\$ 471</u>                 |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2007

SCHEDULE 5  
 (CONTINUED)

|  | <u>SOS<br/>Family<br/>Literacy</u> | <u>Career<br/>Awareness and<br/>Development</u> | <u>Education<br/>To<br/>Careers</u> | <u>Partnering<br/>NCLB</u> | <u>ROE/ISC<br/>School<br/>Improvement</u> | <u>Early<br/>Childhood<br/>Block Grant</u> |
|--|------------------------------------|---|-------------------------------------|----------------------------|---|--|
| <b>REVENUES:</b>                                     |                                    |   |                                     |                            |   |  |
| Local sources  | \$ -                               | \$ -  | \$ -                                | \$ -                       | \$ -                                      | \$ -                                       |
| State sources  | 35,000                             | -   | -                                   | -                          | -   | 89,083                                     |
| Federal sources                                      | -                                  | -   | -                                   | -                          | -   | -  |
| Total revenues                                       | <u>35,000</u>                      | <u>-</u>  | <u>-</u>                            | <u>-</u>                   | <u>-</u>                                  | <u>89,083</u>                              |
| <b>EXPENDITURES:</b>                                 |                                    |   |                                     |                            |   |  |
| Current:   |                                    |   |                                     |                            |   |  |
| Instructional services:                              |                                    |   |                                     |                            |   |  |
| Salaries and benefits                                | 32,715                             | -   | -                                   | -                          | -   | 78,056                                     |
| Purchased services                                   | 581                                | -   | -                                   | -                          | -   | 5,125                                      |
| Supplies and materials                               | 2,862                              | -   | -                                   | -                          | -   | 5,902                                      |
| Capital outlay                                       | -                                  | -   | -                                   | -                          | -   | -  |
| Payments to other governments                        | -                                  | -   | -                                   | -                          | -   | -  |
| Other objects  | -                                  | -   | -                                   | -                          | -   | -  |
| Total expenditures                                   | <u>36,158</u>                      | <u>-</u>  | <u>-</u>                            | <u>-</u>                   | <u>-</u>                                  | <u>89,083</u>                              |
| <b>NET CHANGE IN<br/>FUND BALANCES</b>               | (1,158)                            | -   | -                                   | -                          | -   | -  |
| <b>FUND BALANCE (DEFICIT),<br/>BEGINNING OF YEAR</b> | <u>131</u>                         | <u>1,669</u>                                    | <u>12,310</u>                       | <u>4,800</u>               | <u>506</u>                                | <u>227</u>                                 |
| <b>FUND BALANCE (DEFICIT),<br/>END OF YEAR</b>       | <u>\$ (1,027)</u>                  | <u>\$ 1,669</u>                                 | <u>\$ 12,310</u>                    | <u>\$ 4,800</u>            | <u>\$ 506</u>                             | <u>\$ 227</u>                              |

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
Year Ended June 30, 2007**

**SCHEDULE 5  
(CONTINUED)**

|  | <b>Evenstart<br/>Family<br/>Literacy</b> | <b>English<br/>Language<br/>Civics<br/>Grant</b> | <b>Induction<br/>Leadership</b> | <b>Work<br/>Experience<br/>and Career<br/>Exploration<br/>Program</b> | <b>Illinois<br/>Violence<br/>Prevention<br/>Authority</b> | <b>Title I -<br/>Reading<br/>First - SEA<br/>Part B</b> |
|--|--|--|---------------------------------|---|---|---|
| <b>REVENUES:</b>                                     |  |  |                                 |   |   |   |
| Local sources  | \$ 1,170                                 | \$ -   | \$ 59                           | \$ -  | \$ 7,328  | \$ -  |
| State sources  | -  | -  | -                               | -   | 22,730  | -   |
| Federal sources                                      | <u>155,723</u>                           | <u>130,280</u>                                   | <u>-</u>                        | <u>-</u>  | <u>-</u>  | <u>-</u>  |
| Total revenues                                       | <u>156,893</u>                           | <u>130,280</u>                                   | <u>59</u>                       | <u>-</u>  | <u>30,058</u>   | <u>-</u>  |
| <b>EXPENDITURES:</b>                                 |  |  |                                 |   |   |   |
| Current:   |  |  |                                 |   |   |   |
| Instructional services:                              |  |  |                                 |   |   |   |
| Salaries and benefits                                | 132,472                                  | 114,806  | -                               | -   | 15,262  | -   |
| Purchased services                                   | 22,635                                   | 4,557  | 59                              | -   | 2,982   | 10  |
| Supplies and materials                               | 5,218                                    | 9,534  | -                               | -   | 364   | -   |
| Capital outlay                                       | -  | -  | -                               | -   | 1,295   | -   |
| Payments to other governments                        | -  | -  | -                               | -   | -   | -   |
| Other objects  | -  | -  | -                               | -   | -   | -   |
| Total expenditures                                   | <u>160,325</u>                           | <u>128,897</u>                                   | <u>59</u>                       | <u>-</u>  | <u>19,903</u>   | <u>10</u>   |
| <b>NET CHANGE IN<br/>FUND BALANCES</b>               | (3,432)                                  | 1,383  | -                               | -   | 10,155  | (10)  |
| <b>FUND BALANCE (DEFICIT),<br/>BEGINNING OF YEAR</b> | <u>3,004</u>                             | <u>(232)</u>                                     | <u>(4,865)</u>                  | <u>-</u>  | <u>3,518</u>  | <u>1,566</u>  |
| <b>FUND BALANCE (DEFICIT),<br/>END OF YEAR</b>       | <u>\$ (428)</u>                          | <u>\$ 1,151</u>                                  | <u>\$ (4,865)</u>               | <u>\$ -</u>   | <u>\$ 13,673</u>  | <u>\$ 1,556</u>   |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2007

SCHEDULE 5  
 (CONTINUED)

|  | Implementing<br><u>Math</u> | <u>Chestnut</u> | <u>Mentoring</u>  | SBC<br>Foundation<br><u>Grant</u> | McLean<br>County Jail<br>Education<br><u>Development</u> |
|--|-----------------------------|-----------------|-------------------|-----------------------------------|--|
| <b>REVENUES:</b>                                     |                             |                 |                   |                                   |  |
| Local sources  | \$ -                        | \$ 11,188       | \$ -              | \$ -                              | \$ 15,400  |
| State sources  | -                           | -               | -                 | -                                 | -  |
| Federal sources                                      | -                           | -               | -                 | -                                 | -  |
| Total revenues                                       | <u>-</u>                    | <u>11,188</u>   | <u>-</u>          | <u>-</u>                          | <u>15,400</u>  |
| <b>EXPENDITURES:</b>                                 |                             |                 |                   |                                   |  |
| Current:   |                             |                 |                   |                                   |  |
| Instructional services:                              |                             |                 |                   |                                   |  |
| Salaries and benefits                                | -                           | 5,664           | -                 | -                                 | 14,902   |
| Purchased services                                   | -                           | -               | -                 | -                                 | -  |
| Supplies and materials                               | -                           | -               | -                 | -                                 | -  |
| Capital outlay                                       | -                           | -               | -                 | -                                 | -  |
| Payments to other governments                        | -                           | -               | -                 | -                                 | -  |
| Other objects  | -                           | -               | -                 | -                                 | -  |
| Total expenditures                                   | <u>-</u>                    | <u>5,664</u>    | <u>-</u>          | <u>-</u>                          | <u>14,902</u>  |
| <b>NET CHANGE IN<br/>FUND BALANCES</b>               | -                           | 5,524           | -                 | -                                 | 498  |
| <b>FUND BALANCE (DEFICIT),<br/>BEGINNING OF YEAR</b> | <u>(1,452)</u>              | <u>(5,118)</u>  | <u>(1,963)</u>    | <u>2,694</u>                      | <u>24,809</u>  |
| <b>FUND BALANCE (DEFICIT),<br/>END OF YEAR</b>       | <u>\$ (1,452)</u>           | <u>\$ 406</u>   | <u>\$ (1,963)</u> | <u>\$ 2,694</u>                   | <u>\$ 25,307</u>   |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2007

SCHEDULE 5  
 (CONTINUED)

|                                | <u>Donations</u> |                   | <u>Youth</u>  | <u>Regional</u>     | <u>Scoop</u>  |
|--------------------------------|------------------|-------------------|---------------|---------------------|---------------|
|                                | <u>Literacy</u>  | <u>Youthbuild</u> | <u>Impact</u> | <u>Safe Schools</u> | <u>Dreams</u> |
|                                | <u>Inservice</u> | <u>Youthbuild</u> | <u>Impact</u> | <u>Safe Schools</u> | <u>GED</u>    |
| <b>REVENUES:</b>               |                  |                   |               |                     |               |
| Local sources                  | \$ 1,425         | \$ -              | \$ 150,000    | \$ 539,706          | \$ -          |
| State sources                  | -                | -                 | -             | 303,135             | -             |
| Federal sources                | -                | -                 | -             | 7,241               | -             |
| Total revenues                 | 1,425            | -                 | 150,000       | 850,082             | -             |
| <b>EXPENDITURES:</b>           |                  |                   |               |                     |               |
| Current:                       |                  |                   |               |                     |               |
| Instructional services:        |                  |                   |               |                     |               |
| Salaries and benefits          | -                | -                 | 11,196        | 641,954             | -             |
| Purchased services             | 230              | -                 | 64,578        | 159,815             | -             |
| Supplies and materials         | 38               | -                 | 12,253        | 25,232              | -             |
| Capital outlay                 | -                | -                 | -             | 20,745              | -             |
| Payments to other governments  | -                | -                 | -             | -                   | -             |
| Other objects                  | -                | -                 | 52,521        | -                   | -             |
| Total expenditures             | 268              | -                 | 140,548       | 847,746             | -             |
| <b>NET CHANGE IN</b>           |                  |                   |               |                     |               |
| <b>FUND BALANCES</b>           | 1,157            | -                 | 9,452         | 2,336               | -             |
| <b>FUND BALANCE (DEFICIT),</b> |                  |                   |               |                     |               |
| <b>BEGINNING OF YEAR</b>       | 38,742           | 14,861            | 30,156        | 97,141              | 2             |
| <b>FUND BALANCE (DEFICIT),</b> |                  |                   |               |                     |               |
| <b>END OF YEAR</b>             | \$ 39,899        | \$ 14,861         | \$ 39,608     | \$ 99,477           | \$ 2          |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2007

SCHEDULE 5  
 (CONTINUED)

|  | <u>Scoop<br/>Dreams<br/>Grant</u> | <u>Continuum<br/>of Care</u> | <u>Livingston<br/>County<br/>Alternative<br/>School</u> | <u>Heart of<br/>Illinois<br/>Low<br/>Incidence</u> | <u>Regional<br/>Alternative<br/>School</u> |
|--|-----------------------------------|------------------------------|---|--|--|
| <b>REVENUES:</b>                                     |                                   |                              |   |  |  |
| Local sources  | \$ -                              | \$ -                         | \$ 47   | \$ 1,306,580                                       | \$ 348,390                                 |
| State sources  | -                                 | -                            | -   | 204,724  | 488,150                                    |
| Federal sources                                      | -                                 | 36,279                       | -   | -  | -  |
| Total revenues                                       | <u>-</u>                          | <u>36,279</u>                | <u>47</u>   | <u>1,511,304</u>                                   | <u>836,540</u>                             |
| <b>EXPENDITURES:</b>                                 |                                   |                              |   |  |  |
| Current:   |                                   |                              |   |  |  |
| Instructional services:                              |                                   |                              |   |  |  |
| Salaries and benefits                                | -                                 | 35,545                       | -   | 24,586   | 581,282                                    |
| Purchased services                                   | -                                 | 424                          | -   | 1,457,277  | 158,103                                    |
| Supplies and materials                               | -                                 | -                            | -   | -  | 14,751                                     |
| Capital outlay                                       | -                                 | -                            | -   | -  | 49,274                                     |
| Payments to other governments                        | -                                 | -                            | -   | 26,280   | -  |
| Other objects  | -                                 | -                            | -   | -  | -  |
| Total expenditures                                   | <u>-</u>                          | <u>35,969</u>                | <u>-</u>  | <u>1,508,143</u>                                   | <u>803,410</u>                             |
| <b>NET CHANGE IN<br/>FUND BALANCES</b>               | -                                 | 310                          | 47  | 3,161  | 33,130                                     |
| <b>FUND BALANCE (DEFICIT),<br/>BEGINNING OF YEAR</b> | <u>1,470</u>                      | <u>1,379</u>                 | <u>(47)</u>   | <u>1,509</u>                                       | <u>668,410</u>                             |
| <b>FUND BALANCE (DEFICIT),<br/>END OF YEAR</b>       | <u>\$ 1,470</u>                   | <u>\$ 1,689</u>              | <u>\$ -</u>   | <u>\$ 4,670</u>                                    | <u>\$ 701,540</u>                          |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2007

SCHEDULE 5  
 (CONTINUED)

|                                | <u>Title I</u> | <u>Illinois</u> | <u>Standards</u> | <u>Ross</u>  | <u>State</u>  |
|--------------------------------|----------------|-----------------|------------------|--------------|---------------|
|                                | <u>Neglect</u> | <u>Reading</u>  | <u>Aligned</u>   | <u>Grant</u> | <u>Farm</u>   |
|                                |                | <u>Grant</u>    | <u>Classroom</u> |              | <u>Grants</u> |
| <b>REVENUES:</b>               |                |                 |                  |              |               |
| Local sources                  | \$ 4,738       | \$ -            | \$ 17,703        | \$ -         | \$ 13,346     |
| State sources                  | -              | -               | 193,991          | -            | -             |
| Federal sources                | -              | -               | 14,250           | -            | -             |
| Total revenues                 | 4,738          | -               | 225,944          | -            | 13,346        |
| <b>EXPENDITURES:</b>           |                |                 |                  |              |               |
| Current:                       |                |                 |                  |              |               |
| Instructional services:        |                |                 |                  |              |               |
| Salaries and benefits          | 4,781          | -               | 105,810          | -            | 6,861         |
| Purchased services             | -              | 135             | 106,318          | -            | 542           |
| Supplies and materials         | -              | 2,029           | 12,720           | -            | 1,862         |
| Capital outlay                 | -              | -               | 4,229            | -            | -             |
| Payments to other governments  | -              | -               | -                | -            | -             |
| Other objects                  | -              | -               | -                | -            | -             |
| Total expenditures             | 4,781          | 2,164           | 229,077          | -            | 9,265         |
| <b>NET CHANGE IN</b>           |                |                 |                  |              |               |
| <b>FUND BALANCES</b>           | (43)           | (2,164)         | (3,133)          | -            | 4,081         |
| <b>FUND BALANCE (DEFICIT),</b> |                |                 |                  |              |               |
| <b>BEGINNING OF YEAR</b>       | -              | 2,000           | 63,026           | (5,275)      | 8,899         |
| <b>FUND BALANCE (DEFICIT),</b> |                |                 |                  |              |               |
| <b>END OF YEAR</b>             | \$ (43)        | \$ (164)        | \$ 59,893        | \$ (5,275)   | \$ 12,980     |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2007

SCHEDULE 5  
 (CONTINUED)

|                                | <u>Title II</u><br><u>Teacher</u><br><u>Quality</u> | <u>Title V</u><br><u>Innovative</u><br><u>Program</u> | <u>Reluctant</u><br><u>Learner</u> | <u>Illinois</u><br><u>Educators'</u><br><u>Roundtable</u> | <u>Totals</u>       |
|--------------------------------|---|---|------------------------------------|---|---------------------|
| <b>REVENUES:</b>               |   |   |                                    |   |                     |
| Local sources                  | \$ -  | \$ -  | \$ -                               | \$ 15,750   | \$ 2,440,080        |
| State sources                  | -   | -   | -                                  | -   | 1,779,884           |
| Federal sources                | <u>8,260</u>  | <u>-</u>  | <u>-</u>                           | <u>-</u>  | <u>506,203</u>      |
| Total revenues                 | <u>8,260</u>  | <u>-</u>  | <u>-</u>                           | <u>15,750</u>   | <u>4,726,167</u>    |
| <b>EXPENDITURES:</b>           |   |   |                                    |   |                     |
| Current:                       |   |   |                                    |   |                     |
| Instructional services:        |   |   |                                    |   |                     |
| Salaries and benefits          | -   | -   | -                                  | -   | 2,242,991           |
| Purchased services             | 8,260   | -   | -                                  | -   | 2,118,417           |
| Supplies and materials         | -   | -   | -                                  | -   | 117,471             |
| Capital outlay                 | -   | -   | -                                  | -   | 86,098              |
| Payments to other governments  | -   | -   | -                                  | -   | 26,280              |
| Other objects                  | <u>-</u>  | <u>-</u>  | <u>-</u>                           | <u>-</u>  | <u>52,521</u>       |
| Total expenditures             | <u>8,260</u>  | <u>-</u>  | <u>-</u>                           | <u>-</u>  | <u>4,643,778</u>    |
| <b>NET CHANGE IN</b>           |   |   |                                    |   |                     |
| <b>  FUND BALANCES</b>         | -   | -   | -                                  | 15,750  | 82,389              |
| <b>FUND BALANCE (DEFICIT),</b> |   |   |                                    |   |                     |
| <b>  BEGINNING OF YEAR</b>     | <u>1,923</u>  | <u>-</u>  | <u>(3,195)</u>                     | <u>-</u>  | <u>976,252</u>      |
| <b>FUND BALANCE (DEFICIT),</b> |   |   |                                    |   |                     |
| <b>  END OF YEAR</b>           | <u>\$ 1,923</u>                                     | <u>\$ -</u>   | <u>\$ (3,195)</u>                  | <u>\$ 15,750</u>  | <u>\$ 1,058,641</u> |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE  
 Year Ended June 30, 2007

SCHEDULE 6

|  | Secretary of State's Literacy Grant |               |                |                            | Truants Alternative/Optional Education |               |                    |                            | Adult Education Programs |                |                  |                            |
|--|-------------------------------------|---------------|----------------|----------------------------|--|---------------|--------------------|----------------------------|--------------------------|----------------|------------------|----------------------------|
|  | Budgeted Amounts                    |               | Actual Amounts | Variance with Final Budget | Budgeted Amounts                       |               | Actual Amounts     | Variance with Final Budget | Budgeted Amounts         |                | Actual Amounts   | Variance with Final Budget |
|  | Original                            | Final         |                |                            | Original                               | Final         |                    |                            | Original                 | Final          |                  |                            |
| <b>REVENUES:</b>   |                                     |               |                |                            |  |               |                    |                            |                          |                |                  |                            |
| Local sources  | \$ -                                | \$ -          | \$ -           | \$ -                       | \$ -                                   | \$ -          | \$ -               | \$ -                       | \$ -                     | \$ -           | \$ 2,450         | \$ 2,450                   |
| State sources  | 69,000                              | 69,000        | 69,000         | -                          | 88,216                                 | 88,216        | 88,216             | -                          | 276,000                  | 276,000        | 273,510          | (2,490)                    |
| Federal sources  | -                                   | -             | -              | -                          | -                                      | -             | -                  | -                          | 108,000                  | 108,000        | 118,254          | 10,254                     |
| <b>Total revenues</b>  | <b>69,000</b>                       | <b>69,000</b> | <b>69,000</b>  | <b>-</b>                   | <b>88,216</b>                          | <b>88,216</b> | <b>88,216</b>      | <b>-</b>                   | <b>384,000</b>           | <b>384,000</b> | <b>394,214</b>   | <b>10,214</b>              |
| <b>EXPENDITURES:</b>   |                                     |               |                |                            |  |               |                    |                            |                          |                |                  |                            |
| Current:   |                                     |               |                |                            |  |               |                    |                            |                          |                |                  |                            |
| Instructional Services:                                      |                                     |               |                |                            |  |               |                    |                            |                          |                |                  |                            |
| Salaries and benefits  | 61,153                              | 61,153        | 60,497         | 656                        | 67,993                                 | 69,093        | 68,937             | 156                        | 300,878                  | 300,878        | 303,833          | (2,955)                    |
| Purchased services   | 2,800                               | 2,800         | 3,069          | (269)                      | 9,668                                  | 8,568         | 9,114              | (546)                      | 51,450                   | 51,450         | 64,904           | (13,454)                   |
| Supplies and materials                                       | 5,047                               | 5,047         | 5,434          | (387)                      | -                                      | -             | -                  | -                          | 31,672                   | 31,672         | 17,272           | 14,400                     |
| Capital outlay   | -                                   | -             | -              | -                          | 10,555                                 | 10,555        | 10,555             | -                          | -                        | -              | -                | -                          |
| <b>Total expenditures</b>                                    | <b>69,000</b>                       | <b>69,000</b> | <b>69,000</b>  | <b>-</b>                   | <b>88,216</b>                          | <b>88,216</b> | <b>88,606</b>      | <b>(390)</b>               | <b>384,000</b>           | <b>384,000</b> | <b>386,009</b>   | <b>(2,009)</b>             |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <b>\$ -</b>                         | <b>\$ -</b>   | <b>-</b>       | <b>\$ -</b>                | <b>\$ -</b>                            | <b>\$ -</b>   | <b>(390)</b>       | <b>\$ (390)</b>            | <b>\$ -</b>              | <b>\$ -</b>    | <b>8,205</b>     | <b>\$ 8,205</b>            |
| <b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b> |                                     |               | <b>260</b>     |                            |  |               | <b>(10,611)</b>    |                            |                          |                | <b>20,696</b>    |                            |
| <b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>       |                                     |               | <b>\$ 260</b>  |                            |  |               | <b>\$ (11,001)</b> |                            |                          |                | <b>\$ 28,901</b> |                            |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE  
 Year Ended June 30, 2007

SCHEDULE 6  
 (CONTINUED)

|  | SOS Family Literacy |               |                   |                   | Early Childhood Block Grant |               |               |               | Evenstart Family Literacy |                |                 |                   |
|--|---------------------|---------------|-------------------|-------------------|-----------------------------|---------------|---------------|---------------|---------------------------|----------------|-----------------|-------------------|
|  | Budgeted Amounts    |               | Actual            | Variance with     | Budgeted Amounts            |               | Actual        | Variance with | Budgeted Amounts          |                | Actual          | Variance with     |
|  | Original            | Final         | Amounts           | Final Budget      | Original                    | Final         | Amounts       | Final Budget  | Original                  | Final          | Amounts         | Final Budget      |
| <b>REVENUES:</b>   |                     |               |                   |                   |                             |               |               |               |                           |                |                 |                   |
| Local sources  | \$ -                | \$ -          | \$ -              | \$ -              | \$ -                        | \$ -          | \$ -          | \$ -          | \$ -                      | \$ -           | \$ 1,170        | \$ 1,170          |
| State sources  | 35,000              | 35,000        | 35,000            | -                 | 88,373                      | 89,083        | 89,083        | -             | -                         | -              | -               | -                 |
| Federal sources  | -                   | -             | -                 | -                 | -                           | -             | -             | -             | 150,000                   | 170,716        | 155,723         | (14,993)          |
| Total revenues   | <u>35,000</u>       | <u>35,000</u> | <u>35,000</u>     | <u>-</u>          | <u>88,373</u>               | <u>89,083</u> | <u>89,083</u> | <u>-</u>      | <u>150,000</u>            | <u>170,716</u> | <u>156,893</u>  | <u>(13,823)</u>   |
| <b>EXPENDITURES:</b>                                     |                     |               |                   |                   |                             |               |               |               |                           |                |                 |                   |
| Current:   |                     |               |                   |                   |                             |               |               |               |                           |                |                 |                   |
| Instructional Services:                                  |                     |               |                   |                   |                             |               |               |               |                           |                |                 |                   |
| Salaries and benefits                                    | 31,394              | 31,394        | 32,715            | (1,321)           | 83,182                      | 76,982        | 78,056        | (1,074)       | 129,895                   | 150,729        | 132,472         | 18,257            |
| Purchased services                                       | 550                 | 550           | 581               | (31)              | 3,729                       | 5,489         | 5,125         | 364           | 17,405                    | 16,070         | 22,635          | (6,565)           |
| Supplies and materials                                   | 3,056               | 3,056         | 2,862             | 194               | 1,462                       | 6,612         | 5,902         | 710           | 2,700                     | 3,917          | 5,218           | (1,301)           |
| Capital outlay   | -                   | -             | -                 | -                 | -                           | -             | -             | -             | -                         | -              | -               | -                 |
| Total expenditures                                       | <u>35,000</u>       | <u>35,000</u> | <u>36,158</u>     | <u>(1,158)</u>    | <u>88,373</u>               | <u>89,083</u> | <u>89,083</u> | <u>-</u>      | <u>150,000</u>            | <u>170,716</u> | <u>160,325</u>  | <u>10,391</u>     |
| <b>NET CHANGE IN</b>                                     |                     |               |                   |                   |                             |               |               |               |                           |                |                 |                   |
| FUND BALANCE   | <u>\$ -</u>         | <u>\$ -</u>   | <u>(1,158)</u>    | <u>\$ (1,158)</u> | <u>\$ -</u>                 | <u>\$ -</u>   | <u>-</u>      | <u>\$ -</u>   | <u>\$ -</u>               | <u>\$ -</u>    | <u>(3,432)</u>  | <u>\$ (3,432)</u> |
| FUND BALANCE (DEFICIT), UNRESERVED,<br>BEGINNING OF YEAR |                     |               | 131               |                   |                             |               | 227           |               |                           |                | 3,004           |                   |
| FUND BALANCE (DEFICIT), UNRESERVED,<br>END OF YEAR       |                     |               | <u>\$ (1,027)</u> |                   |                             |               | <u>\$ 227</u> |               |                           |                | <u>\$ (428)</u> |                   |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE  
 Year Ended June 30, 2007

SCHEDULE 6  
 (CONTINUED)

|  | English Language Civics Grant |                |                   |                               | McLean County Jail Education Development |                    |                   |                               |
|--|-------------------------------|----------------|-------------------|-------------------------------|--|--------------------|-------------------|-------------------------------|
|  | Budgeted Amounts              |                | Actual<br>Amounts | Variance with<br>Final Budget | Budgeted Amounts                         |                    | Actual<br>Amounts | Variance with<br>Final Budget |
|  | Original                      | Final          |                   |                               | Original                                 | Final              |                   |                               |
| <b>REVENUES:</b>   |                               |                |                   |                               |  |                    |                   |                               |
| Local sources  | \$ -                          | \$ -           | \$ -              | \$ -                          | \$ 15,400                                | \$ 15,400          | \$ 15,400         | \$ -                          |
| State sources  | -                             | -              | -                 | -                             | -  | -                  | -                 | -                             |
| Federal sources  | <u>135,000</u>                | <u>135,000</u> | <u>130,280</u>    | <u>(4,720)</u>                | -  | -                  | -                 | -                             |
| Total revenues   | <u>135,000</u>                | <u>135,000</u> | <u>130,280</u>    | <u>(4,720)</u>                | -  | -                  | <u>15,400</u>     | -                             |
| <b>EXPENDITURES:</b>   |                               |                |                   |                               |  |                    |                   |                               |
| Current:   |                               |                |                   |                               |  |                    |                   |                               |
| Instructional Services:                                      |                               |                |                   |                               |  |                    |                   |                               |
| Salaries and benefits  | 124,529                       | 124,529        | 114,806           | 9,723                         | 15,400                                   | 15,400             | 14,902            | 498                           |
| Purchased services   | 7,971                         | 7,971          | 4,557             | 3,414                         | -  | -                  | -                 | -                             |
| Supplies and materials                                       | 2,500                         | 2,500          | 9,534             | (7,034)                       | -  | -                  | -                 | -                             |
| Capital outlay   | -                             | -              | -                 | -                             | -  | -                  | -                 | -                             |
| Total expenditures   | <u>135,000</u>                | <u>135,000</u> | <u>128,897</u>    | <u>6,103</u>                  | <u>15,400</u>                            | <u>15,400</u>      | <u>14,902</u>     | <u>498</u>                    |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <u>\$ -</u>                   | <u>\$ -</u>    | <u>1,383</u>      | <u>\$ 1,383</u>               | <u>\$ (15,400)</u>                       | <u>\$ (15,400)</u> | <u>498</u>        | <u>\$ 498</u>                 |
| <b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b> |                               |                | <u>(232)</u>      |                               |  |                    | <u>24,809</u>     |                               |
| <b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>       |                               |                | <u>\$ 1,151</u>   |                               |  |                    | <u>\$ 25,307</u>  |                               |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE  
 Year Ended June 30, 2007

SCHEDULE 6  
 (CONTINUED)

|  | Regional Safe Schools |                |                   |                               | Total            |                  |                   |                               |
|--|-----------------------|----------------|-------------------|-------------------------------|------------------|------------------|-------------------|-------------------------------|
|  | Budgeted Amounts      |                | Actual<br>Amounts | Variance with<br>Final Budget | Budgeted Amounts |                  | Actual<br>Amounts | Variance with<br>Final Budget |
|  | Original              | Final          |                   |                               | Original         | Final            |                   |                               |
| <b>REVENUES:</b>   |                       |                |                   |                               |                  |                  |                   |                               |
| Local sources  | \$ -                  | \$ -           | \$ 539,706        | \$ 539,706                    | \$ 15,400        | \$ 15,400        | \$ 558,726        | \$ 543,326                    |
| State sources  | 302,665               | 302,665        | 303,135           | 470                           | 859,254          | 859,964          | 857,944           | (2,020)                       |
| Federal sources  | -                     | -              | 7,241             | 7,241                         | 393,000          | 413,716          | 411,498           | (2,218)                       |
| <b>Total revenues</b>  | <u>302,665</u>        | <u>302,665</u> | <u>850,082</u>    | <u>547,417</u>                | <u>1,267,654</u> | <u>1,289,080</u> | <u>1,828,168</u>  | <u>539,088</u>                |
| <b>EXPENDITURES:</b>   |                       |                |                   |                               |                  |                  |                   |                               |
| Current:   |                       |                |                   |                               |                  |                  |                   |                               |
| Instructional Services:  |                       |                |                   |                               |                  |                  |                   |                               |
| Salaries and benefits  | 171,921               | 171,921        | 641,954           | (470,033)                     | 986,345          | 1,002,079        | 1,448,172         | (446,093)                     |
| Purchased services   | 125,926               | 125,926        | 159,815           | (33,889)                      | 219,499          | 218,824          | 269,800           | (50,976)                      |
| Supplies and materials   | 4,818                 | 4,818          | 25,232            | (20,414)                      | 51,255           | 57,622           | 71,454            | (13,832)                      |
| Capital outlay   | -                     | -              | 20,745            | (20,745)                      | 10,555           | 10,555           | 31,300            | (20,745)                      |
| <b>Total expenditures</b>  | <u>302,665</u>        | <u>302,665</u> | <u>847,746</u>    | <u>(545,081)</u>              | <u>1,267,654</u> | <u>1,289,080</u> | <u>1,820,726</u>  | <u>(531,646)</u>              |
| <b>NET CHANGE IN<br/>FUND BALANCE</b>                            | <u>\$ -</u>           | <u>\$ -</u>    | <u>2,336</u>      | <u>\$ 2,336</u>               | <u>\$ -</u>      | <u>\$ -</u>      | <u>7,442</u>      | <u>\$ 7,442</u>               |
| <b>FUND BALANCE (DEFICIT), UNRESERVED,<br/>BEGINNING OF YEAR</b> |                       |                | <u>97,141</u>     |                               |                  |                  | <u>135,425</u>    |                               |
| <b>FUND BALANCE (DEFICIT), UNRESERVED,<br/>END OF YEAR</b>       |                       |                | <u>\$ 99,477</u>  |                               |                  |                  | <u>\$ 142,867</u> |                               |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 June 30, 2007

SCHEDULE 7

| ASSETS   | <u>Bus<br/>Driver<br/>Training</u> | <u>General<br/>Education<br/>Development</u> | <u>Supervisory</u>     | <u>Totals</u>           |
|--|------------------------------------|--|------------------------|-------------------------|
| Cash (overdrafts) and cash equivalents                   | \$ (3,954)                         | \$ 11,093                                    | \$ 2,082               | \$ 9,221                |
| Due from other governments                               | <u>-</u>                           | <u>18,306</u>                                | <u>-</u>               | <u>18,306</u>           |
| <b>TOTAL ASSETS</b>                                      | <b><u>\$ (3,954)</u></b>           | <b><u>\$ 29,399</u></b>                      | <b><u>\$ 2,082</u></b> | <b><u>\$ 27,527</u></b> |
| <b>LIABILITIES AND<br/>FUND BALANCES (DEFICIT)</b>       |                                    |  |                        |                         |
| <b>LIABILITIES</b>                                       |                                    |  |                        |                         |
| None   | \$ -                               | \$ -   | \$ -                   | \$ -                    |
| <b>FUND BALANCES (DEFICIT)</b>                           |                                    |  |                        |                         |
| Unreserved   | <u>(3,954)</u>                     | <u>29,399</u>                                | <u>2,082</u>           | <u>27,527</u>           |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES (DEFICIT)</b> | <b><u>\$ (3,954)</u></b>           | <b><u>\$ 29,399</u></b>                      | <b><u>\$ 2,082</u></b> | <b><u>\$ 27,527</u></b> |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 Year Ended June 30, 2007

|   | <u>Bus<br/>Driver<br/>Training</u> | <u>General<br/>Education<br/>Development</u> | <u>Supervisory</u> | <u>Totals</u>    |
|---|------------------------------------|--|--------------------|------------------|
| <b>REVENUES:</b>                                      |                                    |  |                    |                  |
| Local sources   | \$ 4,962                           | \$ 53,929                                    | \$ 48              | \$ 58,939        |
| State sources   | -                                  | -  | 3,000              | 3,000            |
| Total revenues  | <u>4,962</u>                       | <u>53,929</u>                                | <u>3,048</u>       | <u>61,939</u>    |
| <b>EXPENDITURES:</b>                                  |                                    |  |                    |                  |
| Current:  |                                    |  |                    |                  |
| Instructional Services:                               |                                    |  |                    |                  |
| Salaries  | -                                  | 30,246                                       | -                  | 30,246           |
| Employee benefits                                     | -                                  | 2,430  | -                  | 2,430            |
| Purchased services                                    | 4,800                              | 10,371                                       | 3,270              | 18,441           |
| Supplies and materials                                | 112                                | 5,843  | -                  | 5,955            |
| Payments to other governments                         | -                                  | 130  | -                  | 130              |
| Total expenditures                                    | <u>4,912</u>                       | <u>49,020</u>                                | <u>3,270</u>       | <u>57,202</u>    |
| <b>NET CHANGE IN<br/>FUND BALANCES</b>                | 50                                 | 4,909  | (222)              | 4,737            |
| <b>FUND BALANCES (DEFICIT),<br/>BEGINNING OF YEAR</b> | <u>(4,004)</u>                     | <u>24,490</u>                                | <u>2,304</u>       | <u>22,790</u>    |
| <b>FUND BALANCES (DEFICIT),<br/>END OF YEAR</b>       | <u>\$ (3,954)</u>                  | <u>\$ 29,399</u>                             | <u>\$ 2,082</u>    | <u>\$ 27,527</u> |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 AGENCY FUNDS  
 June 30, 2007

|                           | <u>Distributive<br/>Fund</u> | <u>Regional Board<br/>of School<br/>Trustees Fund</u> | <u>Cooperative<br/>Purchasing<br/>Fund</u> | <u>Total</u> |
|---------------------------|------------------------------|---|--|--------------|
| <b>ASSETS</b>             |                              |   |  |              |
| Cash and cash equivalents | \$ 2,560                     | \$ 2,474  | \$ 161,156                                 | \$ 166,190   |
| <b>LIABILITIES</b>        |                              |   |  |              |
| Due to other governments  | \$ 2,560                     | \$ 2,474  | \$ 161,156                                 | \$ 166,190   |

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING STATEMENT OF CHANGES IN  
 ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 Year Ended June 30, 2007

SCHEDULE 10

|   | <u>Balance,</u><br><u>July 1, 2006</u> | <u>Additions</u>    | <u>Deductions</u>   | <u>Balance,</u><br><u>June 30, 2007</u> |
|---|--|---------------------|---------------------|---|
| <b>DISTRIBUTIVE FUND</b>                          |  |                     |                     |   |
| <b>ASSETS</b>                                     |  |                     |                     |   |
| Cash and cash equivalents                         | \$ <u>2,510</u>                        | \$ <u>8,907,623</u> | \$ <u>8,907,573</u> | \$ <u>2,560</u>                         |
| <b>LIABILITIES</b>                                |  |                     |                     |   |
| Due to other governments                          | \$ <u>2,510</u>                        | \$ <u>8,907,623</u> | \$ <u>8,907,573</u> | \$ <u>2,560</u>                         |
| <br><b>REGIONAL BOARD OF SCHOOL TRUSTEES FUND</b> |  |                     |                     |   |
| <b>ASSETS</b>                                     |  |                     |                     |   |
| Cash and cash equivalents                         | \$ <u>4,625</u>                        | \$ <u>1,500</u>     | \$ <u>3,651</u>     | \$ <u>2,474</u>                         |
| <b>LIABILITIES</b>                                |  |                     |                     |   |
| Due to other governments                          | \$ <u>4,625</u>                        | \$ <u>1,500</u>     | \$ <u>3,651</u>     | \$ <u>2,474</u>                         |
| <br><b>COOPERATIVE PURCHASING FUND</b>            |  |                     |                     |   |
| <b>ASSETS</b>                                     |  |                     |                     |   |
| Cash and cash equivalents                         | \$ <u>139,940</u>                      | \$ <u>429,079</u>   | \$ <u>407,863</u>   | \$ <u>161,156</u>                       |
| <b>LIABILITIES</b>                                |  |                     |                     |   |
| Due to other governments                          | \$ <u>139,940</u>                      | \$ <u>429,079</u>   | \$ <u>407,863</u>   | \$ <u>161,156</u>                       |
| <br><b>TOTAL ALL AGENCY FUNDS</b>                 |  |                     |                     |   |
| <b>ASSETS</b>                                     |  |                     |                     |   |
| Cash and cash equivalents                         | \$ <u>147,075</u>                      | \$ <u>9,338,202</u> | \$ <u>9,319,087</u> | \$ <u>166,190</u>                       |
| <b>LIABILITIES</b>                                |  |                     |                     |   |
| Due to other governments                          | \$ <u>147,075</u>                      | \$ <u>9,338,202</u> | \$ <u>9,319,087</u> | \$ <u>166,190</u>                       |

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES**  
**June 30, 2007**

**SCHEDULE 11**

| <u>Program</u>                                | <u>Cornell District 70</u> | <u>Cornell District 426</u> | <u>Flanagan District 4</u> | <u>Livingston County Special Services</u> | <u>Mackinaw Valley Special Education</u> | <u>Rooks Creek CSD 425</u> | <u>Regional Office of Education</u> | <u>Totals</u>       |
|---|----------------------------|-----------------------------|----------------------------|---|--|----------------------------|-------------------------------------|---------------------|
| General State Aid                             | \$ 219,354                 | \$ 392,193                  | \$ 915,738                 | \$ -                                      | \$ -                                     | \$ 21,867                  | \$ 1,019,968                        | \$ 2,569,120        |
| Transition Assistance                         | -                          | -                           | 41,460                     | -   | -  | 285                        | -                                   | 41,745              |
| Special Education Private Facility            | 12,300                     | -                           | 13,136                     | -   | -  | -                          | -                                   | 25,436              |
| Special Education Extraordinary               | 17,225                     | 31,018                      | 34,112                     | -   | -  | 7,856                      | -                                   | 90,211              |
| Special Education Personnel                   | -                          | 28,050                      | 70,016                     | 369,483                                   | 10,000                                   | 2,308                      | 248,199                             | 728,056             |
| Summer Special Education                      | -                          | 204                         | -                          | -   | -  | -                          | -                                   | 204                 |
| Illinois Free Lunch                           | -                          | 893                         | 1,871                      | 782                                       | -  | -                          | 476                                 | 4,022               |
| Breakfast Illinois                            | -                          | 68                          | 161                        | 7   | -  | 20                         | -                                   | 256                 |
| Driver's Education                            | -                          | -                           | 6,311                      | -   | -  | -                          | -                                   | 6,311               |
| Transportation Regular                        | 45,761                     | 45,100                      | 103,133                    | -   | -  | 53,896                     | -                                   | 247,890             |
| Transportation Special Education              | 9,556                      | 28,999                      | 114,082                    | 2,412                                     | -  | -                          | -                                   | 155,049             |
| Bus Driver Trainings                          | -                          | -                           | -                          | -   | -  | -                          | 1,440                               | 1,440               |
| National Board Certification                  | -                          | -                           | 4,000                      | -   | -  | -                          | -                                   | 4,000               |
| Truant Alternative Optional Education         | -                          | -                           | -                          | -   | -  | -                          | 88,216                              | 88,216              |
| Regional Safe School Program                  | -                          | -                           | -                          | -   | -  | -                          | 302,665                             | 302,665             |
| Early Childhood Block Grant                   | -                          | -                           | 59,106                     | -   | -  | -                          | 82,547                              | 141,653             |
| Reading Improvement Block Grant               | -                          | 6,450                       | 10,278                     | -   | -  | 2,028                      | -                                   | 18,756              |
| ROE/ISC Operations                            | -                          | -                           | -                          | -   | -  | -                          | 107,290                             | 107,290             |
| Supervisory                                   | -                          | -                           | -                          | -   | -  | -                          | 3,000                               | 3,000               |
| Safety Education Block Grant                  | 2,916                      | 4,561                       | 11,893                     | -   | -  | 2,156                      | -                                   | 21,526              |
| Title V Innovative Programs - Formula         | -                          | 221                         | 504                        | -   | -  | 65                         | -                                   | 790                 |
| National School Lunch Program                 | -                          | 18,621                      | 37,743                     | 9,182                                     | -  | 1,143                      | 5,878                               | 72,567              |
| School Breakfast Program                      | -                          | 7,342                       | 7,756                      | 5,024                                     | -  | 514                        | 2,209                               | 22,845              |
| Child Nutrition                               | -                          | 21                          | 68                         | -   | -  | -                          | -                                   | 89                  |
| Title I Low Income                            | -                          | 28,979                      | 44,028                     | -   | -  | -                          | -                                   | 73,007              |
| Even Start Family Literacy                    | -                          | -                           | -                          | -   | -  | -                          | 161,198                             | 161,198             |
| Title IV - Safe & Drug Free Schools - Formula | -                          | 479                         | 1,307                      | -   | -  | 91                         | -                                   | 1,877               |
| Preschool Special Ed.                         | -                          | -                           | -                          | 87,871                                    | 74,181                                   | -                          | -                                   | 162,052             |
| IDEA Special Ed. Flow Through                 | -                          | -                           | -                          | 1,379,263                                 | 2,452,120                                | -                          | -                                   | 3,831,383           |
| Learn & Serve America                         | -                          | 3,000                       | -                          | -   | -  | -                          | -                                   | 3,000               |
| Title II Teacher Quality                      | -                          | 3,998                       | 14,594                     | -   | -  | 2,252                      | -                                   | 20,844              |
| Technology                                    | -                          | 232                         | 843                        | -   | -  | -                          | -                                   | 1,075               |
| <b>Totals</b>                                 | <b>\$ 307,112</b>          | <b>\$ 600,429</b>           | <b>\$ 1,492,140</b>        | <b>\$ 1,854,024</b>                       | <b>\$ 2,536,301</b>                      | <b>\$ 94,481</b>           | <b>\$ 2,023,086</b>                 | <b>\$ 8,907,573</b> |

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2007**

| Federal Grantor/Pass-<br>Through Grantor,<br>Program or Cluster Title | CFDA<br>Number | Project Number<br>(1st 8 digits)<br>or Contract # | Federal<br>Expenditures<br>7/1/2006-6/30/2007 |
|---|----------------|---|---|
| U.S. Department of Agriculture passed through                         |                |   |   |
| Illinois State Board of Education:                                    |                |   |   |
| School Breakfast Program  | 10.553         | 07-4220-00  | \$ 1,997                                      |
| National School Lunch Program   | 10.555         | 07-4210-00  | <u>5,244</u>                                  |
| Total U.S. Department of Agriculture                                  |                |   | <u>7,241</u>                                  |
| U.S. Department of Education passed through                           |                |   |   |
| Illinois State Board of Education:                                    |                |   |   |
| (M) Evenstart Family Literacy   | 84.213C        | 06-4335-00  | 17,786  |
| (M) Evenstart Family Literacy   | 84.213C        | 07-4335-00  | 67,124  |
| (M) Evenstart Family Literacy   | 84.213C        | 07-4335-01  | <u>70,813</u>                                 |
|   |                |   | <u>155,723</u>                                |
| Regional Office of Education No. 32 - I-Kan:                          |                |   |   |
| Title I - School Improvement and Accountability                       | 84.010A        | 07-4331-SS  | 14,250  |
| Title II - Teacher Quality  | 84.367         | 07-4935-SS  | <u>8,260</u>                                  |
|   |                |   | <u>22,510</u>                                 |
| Illinois Community College Board:                                     |                |   |   |
| Adult Education   | 84.002A        | 07-4800-00  | 118,254                                       |
| Adult Education-EL. Civics  | 84.002A        | 07-4805-00  | <u>128,897</u>                                |
| Total Adult Education   |                |   | <u>247,151</u>                                |
| Illinois Department of Human Services                                 |                |   |   |
| Step Grant  | 84.126         | 40C6001581  | 19,529  |
| Step Grant  | 84.126         | 40C7001581  | <u>16,387</u>                                 |
|   |                |   | <u>35,916</u>                                 |
| Total U.S. Department of Education                                    |                |   | <u>461,300</u>                                |
| U.S. Department of Housing and Urban Development:                     |                |   |   |
| Housing Authority of the City of Bloomington<br>Continuum of Care     | 14.235         | 07-4099-00  | <u>35,969</u>                                 |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>                           |                |   | <b>\$ <u>504,510</u></b>                      |

(M) Program was audited as a major program

The accompanying notes are an integral part of this schedule.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2007**

**NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Regional Office of Education #17 and is prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of these basic financial statements.

**NOTE 2 - SUBRECIPIENTS**

NONE

**NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAMS**

Evenstart Family Literacy: This program provides early childhood education, adult English as a Second Language education, parenting and parent-child interactions for low income and limited English speaking families with children aged 6 weeks to 3 years.

**NOTE 4 - NON-CASH ASSISTANCE**

NONE

**NOTE 5 - AMOUNT OF INSURANCE**

NONE

**NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING**

NONE

This information is an integral part of the accompanying schedule.