

**State of Illinois**  
**CLINTON, MARION, AND WASHINGTON COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #13**  
**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 Auditor General, State of Illinois**

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
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OFFICIALS

REGIONAL OFFICE OF EDUCATION #13

Regional Superintendent  
(Current and during the audit period)

Ms. Keri Garrett

Assistant Regional Superintendent  
(Current and during the audit period)

Mr. Brian P. Guthrie

Offices are located at:

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

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

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

REGIONAL OFFICE OF EDUCATION #13

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.

AUDITORS' REPORTS

The auditors' 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	2	3
Repeated audit findings	0	2
Prior recommendations implemented or not repeated	3	0

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)		
07-01	12a	Payroll Reporting
07-02	12b	Controls Over Financial Statement Preparation
FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)		
NONE		

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

06-02	Controls Over Compliance with Laws and Regulations
06-03	Improper Expenditure Classification

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

06-01	Unexpended Grant Funds and Interest Income
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EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on August 10, 2007. Attending were Keri Garrett, Regional Superintendent, Mary Ellen Hughes, Controller, and Tami Colpitts-Knight, CPA, Manager, Kemper CPA Group LLP. Responses to the recommendations were provided by Keri Garrett, Regional Superintendent.

## FINANCIAL STATEMENT REPORT

### SUMMARY

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

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



INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clinton, Marion, and Washington Counties Regional Office of Education #13, as of and for the year ended June 30, 2007, which collectively comprise the Regional Office of Education #13's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office Education #13's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #13, as of June 30, 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 a report dated March 25, 2008 on our consideration of the Regional Office of Education #13's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 16a through 16k, and 48 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Office of Education #13's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund 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. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund, 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.

*Kemper CPA Group LLP*

*Certified Public Accountants and Consultants*

Marion, Illinois  
March 25, 2008

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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #13, as of and for the year ended June 30, 2007, which collectively comprise the Regional Office of Education #13's basic financial statements and have issued our report thereon dated March 25, 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 Regional Office of Education #13's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the Regional Office of Education #13's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #13's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting as items 07-01 and 07-02.

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 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 internal control that might be significant deficiencies, and, accordingly, would not necessarily disclose all significant deficiencies that are also considered material weaknesses. However, of the significant deficiencies described above, we consider item 07-02 to be a material weakness.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Regional Office of Education #13's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 07-01.

Regional Office of Education #13's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Regional Office of Education #13's response and, accordingly, we express no opinion on them.

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

*Kemper CPA Group LLP*

*Certified Public Accountants and Consultants*

Marion, Illinois  
March 25, 2008



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 Regional Office of Education #13 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 Regional Office of Education #13'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 Regional Office of Education #13's management. Our responsibility is to express an opinion on the Regional Office of Education #13'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 Regional Office of Education #13'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 of the Regional Office of Education #13's compliance with those requirements.

In our opinion, the Regional Office of Education #13 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 Regional Office of Education #13 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Regional Office of Education #13'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 Regional Office of Education #13'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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

*Kemper CPA Group LLP*

*Certified Public Accountants and Consultants*

Mt. Vernon, Illinois  
March 25, 2008

CLINTON, MARION AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2007

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

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? No

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 OMB Circular A-133, Section .510(a)? No

Identification of **major** programs:

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.181	Special Education for Infants and Families with Disabilities
84.181	Early Intervention (Noncash)

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

Auditee qualified as a low-risk auditee? Yes

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2007

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding No. 07-01 – Payroll Reporting**

**Criteria/Specific Requirement:**

*Internal Revenue Service Publication 15-A* requires existing employees of an entity that are compensated for duties beyond the duties of their original agreement to be paid as wages subject to all payroll taxes and withholdings.

**Condition:**

During our testing we noted one instance where an employee who met the criteria of an employee, as set forth by *Internal Revenue Service Publication 15-A*, was paid \$1,731 as an independent contractor.

**Effect:**

The Regional Office was not in compliance with *Internal Revenue Service Publication 15-A*.

**Cause:**

The Regional Office was unaware of the proper reporting requirements for additional compensation to existing employees.

**Recommendation:**

The Regional Office should develop policies and procedures to ensure that all additional compensation paid to existing employees is reported as wages subject to all applicable payroll taxes and withholdings. In addition, the Regional Office should contact the Internal Revenue Service and the Illinois Municipal Retirement System to determine if the Regional Office is required to file amended reporting for the applicable periods.

**Management's Response:**

The Regional Superintendent agrees with this finding.



CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007

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

**Finding No. 07-02 – Controls Over Financial Statement Preparation**

**Criteria/specific requirement:**

The Regional Office of Education #13 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

**Condition:**

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

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

**Effect:**

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007

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

**Finding No. 07-02 – Controls Over Financial Statement Preparation**

**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.

**Auditors Recommendation:**

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #13 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

**Management's Response:**

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007

**SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:**

**INSTANCES OF NONCOMPLIANCE:**

None

**SIGNIFICANT DEFICIENCIES:**

None

CLINTON, MARION AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS  
JUNE 30, 2007

**Corrective Action Plan**

**Finding No. 07-01**

**Condition:**

During our testing we noted one instance where an employee who met the criteria of an employee, as set forth by *Internal Revenue Service Publication 15-A*, was paid \$1,731 as an independent contractor.

**Plan:**

The Regional Office will develop policies and procedures to ensure that all additional compensation paid to existing employees is reported as wages subject to all applicable payroll taxes and withholdings. In addition, the Regional Office will contact the Internal Revenue Service and the Illinois Municipal Retirement System to determine if the Regional Office is required to file amended reporting for the applicable periods.

**Anticipated Date of Completion:**

Immediately upon learning of oversight.

**Name of Contact Person:**

Mr. Keri Garrett, Regional Superintendent

**Finding No. 07-02**

**Condition:**

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

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

CLINTON, MARION AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS  
JUNE 30, 2007

**Corrective Action Plan (Concluded)**

**Finding No. 07-02 (Concluded)**

**Plan:**

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #13 will implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures will 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.

**Anticipated Date of Completion:**

Immediately upon learning of oversight.

**Name of Contact Person:**

Mr. Keri Garrett, Regional Superintendent

CLINTON, MARION AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2007

<u>Fir ding Number</u>	<u>Condition</u>	<u>Current Status</u>
06-01	Unexpended Grant Funds and Interest Income.	Corrected
06-02	A. Public Act 95-496 repealed the requirements of 105 ILCS 5/3-14.11	Resolved
	B. Public Act 95-496 repealed the requirements of 105 ILCS 5/3-14.5	Resolved
06-03	Improper Expenditure Classification	Corrected

## MANAGEMENT'S DISCUSSION AND ANALYSIS

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2007

Regional Office of Education #13 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2007. We encourage readers to consider this information in conjunction with the Regional Office of Education #13's financial statements, which follow.

The Regional Office of Education #13 continued to develop the new reporting standards initiated in FY04. Comparisons are more meaningful and will go further in explaining the Regional Office of Education #13's financial position and results of operations. This includes capabilities for closer monitoring and periodic analysis.

### **2007 FINANCIAL HIGHLIGHTS**

- General Fund revenues increased from \$460,603 in fiscal year 2006 to \$478,981 in fiscal year 2007, and General Fund expenditures also increased from \$488,617 in fiscal year 2006 to \$542,514 in fiscal year 2007. Other funding sources were used to cover expenses and thus resulted in a smaller decrease in the Regional Office of Education #13's General Fund balance from \$64,630 in fiscal year 2006 to \$55,984 in fiscal year 2007.
- The increase in General Fund revenues was attributed primarily to an increase in State on-behalf sources of revenue in fiscal year 2007, and an increase in expenditures followed. The Regional Office of Education #13 again funded a portion of the current year General Fund services from the carryover fund balance in the General Fund.
- Education Fund revenues decreased from \$1,982,671 in fiscal year 2006 to \$1,937,818 in fiscal year 2007, while Education Fund expenditures increased from \$2,002,207 in fiscal year 2006 to \$2,020,442 in fiscal year 2007. Interest revenue increased from \$53,154 in fiscal year 2006 to \$67,313 in fiscal year 2007. The result was a decrease in the Education Fund balance from \$1,122,002 in fiscal year 2006 to \$1,106,691 in fiscal year 2007.
- The decrease in Education Fund revenues was attributed to a decrease in State sources of revenue in fiscal year 2007.

### **USING THIS ANNUAL REPORT**

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

- The Regional Office of Education #13's Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office of Education #13's financial activities.
- The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Regional Office of Education #13 as a whole and present an overall view of the Regional Office of Education #13's finances.



CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2007

**USING THIS ANNUAL REPORT (Concluded)**

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

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

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

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

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

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

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

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2007

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

**Fund Financial Statements**

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

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

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of financial position. The Regional Office of Education #13's net assets at the end of fiscal year 2007 totaled approximately \$1.65 million. This compared to approximately \$1.69 million at the end of fiscal year 2006. The analysis that follows provides a summary of the Regional Office of Education #13's net assets at June 30, 2007 for the governmental and business-type activities.

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2007

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

CONDENSED STATEMENT OF NET ASSETS

GOVERNMENTAL ACTIVITIES

	2007	2006	Increase / (Decrease)
Current Assets	\$ 1,390,198	\$ 1,529,647	(139,449)
Capital Assets, being depreciated, net	15,696	28,055	(12,359)
Total Assets	1,405,894	1,557,702	(151,808)
Current Liabilities	79,466	202,880	(123,414)
Net Assets:			
Invested in Capital Assets	15,696	28,055	(12,359)
Unrestricted	1,188,866	1,213,702	(24,836)
Restricted for teacher professional development	121,866	113,065	8,801
Total Net Assets	\$ 1,326,428	\$ 1,354,822	(28,394)

The Regional Office of Education #13's combined governmental net assets decreased \$28,394 from fiscal year 2006 and the current assets decreased \$139,449. One reason for the significant decrease in current assets and liabilities was that the program Even Start/Early Childhood Block Grant had \$80,124 in obligated funding and a corresponding receivable from the grantor in the amount of \$47,642 at June 30, 2006 that did not repeat at June 30, 2007. Net assets related to the Institute Fund are restricted for teacher professional development.

BUSINESS-TYPE ACTIVITIES

	2007	2006	Increase / (Decrease)
Current Assets	\$ 296,940	\$ 316,319	(19,379)
Capital Assets, being depreciated, net	23,817	20,089	3,728
Total Assets	320,757	336,408	(15,651)
Net Assets:			
Invested in Capital Assets	23,817	20,089	3,728
Unrestricted	296,940	316,319	(19,379)
Total Net Assets	\$ 320,757	\$ 336,408	(15,651)

The Regional Office of Education #13's business-type activities net assets decreased \$15,651 from fiscal year 2006 and the current assets decreased \$19,379. The decrease in total net assets was due to the removal of capital assets in fiscal year 2007.

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2007

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

STATEMENT OF ACTIVITIES

GOVERNMENTAL ACTIVITIES

	<u>2007</u>	<u>2006</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program Revenues:			
Operating grants and contributions	\$ 1,726,469	\$ 1,602,623	123,846
General revenues:			
Local sources	253,666	314,107	(60,441)
State sources	92,434	212,662	(120,228)
On-behalf payments - State & Local	388,413	358,411	30,002
Interest income	130,464	79,377	51,087
Loss on disposal of capital assets	-	(346)	346
<b>Total Revenues</b>	<u>2,591,446</u>	<u>2,566,834</u>	24,612
Expenses:			
Instructional Services			
Salaries and benefits	1,648,309	1,684,674	(36,365)
Purchased Services	397,728	410,083	(12,355)
Supplies and materials	102,743	76,467	26,276
Payments to Other Governments	2,323	-	2,323
Other objects	65,623	10,221	55,402
Depreciation expense	14,701	17,561	(2,860)
Administrative Expense:			
On-behalf payments - State & Local	388,413	358,411	30,002
<b>Total Expenses</b>	<u>2,619,840</u>	<u>2,557,417</u>	62,423
Change in Net Assets	(28,394)	9,417	(37,811)
Net Assets - Beginning	<u>1,354,822</u>	<u>1,345,405</u>	9,417
Net Assets - Ending	<u>\$ 1,326,428</u>	<u>\$ 1,354,822</u>	(28,394)

Operating grants and contributions increased approximately \$123,846 from fiscal year 2006 to 2007. Increases in program revenues and interest revenue helped make up for some of the decreases in State and federal funding.

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2007

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

STATEMENT OF ACTIVITIES

BUSINESS-TYPE ACTIVITIES

	<u>2007</u>	<u>2006</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 128,032	\$ 115,395	12,637
General Revenue:			
Interest income	<u>17,970</u>	<u>14,208</u>	3,762
Total Revenues	<u>146,002</u>	<u>129,603</u>	16,399
Expenses:			
Salaries and benefits	82,217	54,152	28,065
Purchased Services	7,868	3,434	4,434
Supplies and materials	63,585	57,421	6,164
Other objects	740	396	344
Depreciation	<u>7,243</u>	<u>5,090</u>	2,153
Total Expenses	<u>161,653</u>	<u>120,493</u>	41,160
Change in Net Assets	(15,651)	9,110	(24,761)
Net Assets - Beginning	<u>336,408</u>	<u>327,298</u>	9,110
Net Assets - Ending	<u>\$ 320,757</u>	<u>\$ 336,408</u>	(15,651)

The increase in charges for services revenue is due to an increase in services provided to school districts in the region. The increase in supplies and materials is due to the fact that the Regional Office of Education #13 changed to a new testing system during fiscal year 2006 and was required to purchase all new materials and supplies that were compatible with the new testing system.

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

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2007

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

The Regional Office of Education #13's governmental fund reported combined fund balances of \$1,310,732 compared with fiscal year 2006's ending fund balances of \$1,326,767. The Regional Office of Education #13 received less local revenue and more interest income in fiscal year 2007 than fiscal year 2006 even though funds received from State revenue sources continue to decrease. An example of this is the Regional Office of Education #13 funds from the State have been reduced 18 percent in the last four years. However, no reductions in responsibilities have occurred. Other funds have also decreased or stayed constant. The constant funds do not take into account inflation, which results in a further decrease.

**Governmental Fund Highlights**

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

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

The Regional Office of Education #13 continues to offer technical assistance and professional development activities to teachers across the complete curriculum area. We have documentation that at least 1,200 teachers have received direct professional development to improve their basic knowledge and/or their teaching pedagogy. We operate a Pre-Kindergarten program with thirteen sites throughout our three counties, serving approximately 250 at-risk students. We also have two schools for students who have experienced serious difficulties in the public schools. Our Truant Alternative School serves approximately 50 students each year and works with approximately 250 students to ameliorate their truancy problems. We operate a Safe School that serves approximately 40 students each year with an individually based educational program. The Safe School students are students who have been referred because of serious behavior problems within the sending school. We also offer teacher certificate assistance, and help teachers completing re-certification requirements and acquiring additional certificate endorsements. There are a variety of other regulatory programs that are statute based that require inspection of the schools for nearly all areas, as well as inspections for building safety. A General Education Diploma is offered through our cooperative effort with Kaskaskia College, which includes testing to meet high school equivalency. We are responsible for professional development activities to maintain certification by our school administrators through the administrator academy. In summary, we also have a variety of smaller programs that would be classified as consultative services directly to the schools.

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2007

**Proprietary Fund Highlights**

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

**FIDUCIARY FUND TYPE**

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

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

**MEASUREMENT FOCUS**

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

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2007

**MEASUREMENT FOCUS (Concluded)**

The fund financial statements of the Proprietary Funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

**BUDGETARY HIGHLIGHTS**

The Regional Office of Education #13 Advisory Board approves an education plan. Although the budget document presents functional disbursements by fund, the legal level of control is at the total expenditure level, not at the fund or fund type level. The State Board reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the State Board for final approval. The budget may be amended during the year utilizing procedures prescribed by the State Board. Over the course of the year, the Regional Office of Education #13 amended its annual operating budget several times to reflect additional revenue and expenditures associated with the additional services needed and provided to the local school districts. The Regional Office of Education #13 has a three-county budget for administrative purposes. Each county contributes financially to the Regional Office of Education #13 based upon the county's population. The total funds furnished by all three counties were approximately \$129,500.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Regional Office of Education #13 does not invest in land or buildings. All other equipment remains owned by the State. Items purchased costing over \$1,000 are listed on the Regional Office of Education #13's inventory. At June 30, 2007 the Regional Office of Education #13 had an investment in capital assets of \$39,513, which is the original cost of the assets less the accumulated depreciation.

During fiscal year 2007 the Regional Office of Education #13 made purchases costing \$2,342 in governmental activities and \$10,971 in business-type activities. Miscellaneous outdated equipment and furniture were discarded.

**Debt**

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



CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2007

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

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

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

**A.ADDITIONAL INFORMATION**

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

The Management's Discussion and Analysis for the year ended June 30, 2007 is a continual and ongoing review of the financial statements, accounting and reporting of capital assets and internal funds. This review has the objective to accomplish several things. Namely, where have we spent our funds, the relationship of those expenditures to the budget, an analysis of our remaining funds to complete our mission, and a cross-check to balance the various funds. This analysis includes ensuring that the proper documentation, authorization, and expenditures are complete and tied directly to our budget line items.

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2007

**ADDITIONAL INFORMATION (Concluded)**

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

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

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

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

## BASIC FINANCIAL STATEMENTS

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
STATEMENT OF NET ASSETS  
JUNE 30, 2007

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 1,353,115	\$ 291,157	\$ 1,644,272
Prepaid assets	12,425	5,783	18,208
Due from other governments:			
Federal	24,658	-	24,658
Total Current Assets	<u>1,390,198</u>	<u>296,940</u>	<u>1,687,138</u>
Noncurrent Assets			
Capital assets, being depreciated, net	<u>15,696</u>	<u>23,817</u>	<u>39,513</u>
<b>TOTAL ASSETS</b>	<u><u>1,405,894</u></u>	<u><u>320,757</u></u>	<u><u>1,726,651</u></u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	29,788	-	29,788
Due to other governments:			
Federal	38,199	-	38,199
Deferred revenue	<u>11,479</u>	<u>-</u>	<u>11,479</u>
<b>TOTAL LIABILITIES</b>	<u><u>79,466</u></u>	<u><u>-</u></u>	<u><u>79,466</u></u>
<b>NET ASSETS</b>			
Invested in capital assets	15,696	23,817	39,513
Restricted for teacher professional development	121,866	-	121,866
Unrestricted	<u>1,188,866</u>	<u>296,940</u>	<u>1,485,806</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 1,326,428</u></u>	<u><u>\$ 320,757</u></u>	<u><u>\$ 1,647,185</u></u>

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #12  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
Current:						
Instructional services:						
Salaries and benefits	\$ 1,648,309	\$ -	\$ 1,403,707	\$ (244,602)	\$ -	(244,602)
Purchased services	397,728	-	268,379	(129,349)	-	(129,349)
Supplies and materials	102,743	-	49,718	(53,025)	-	(53,025)
Capital outlay	-	-	2,342	2,342	-	2,342
Payments to other governments	2,323	-	2,323	-	-	-
Other objects	65,623	-	-	(65,623)	-	(65,623)
Depreciation	14,701	-	-	(14,701)	-	(14,701)
Administrative:						
On-behalf payments - Local	129,624	-	-	(129,624)	-	(129,624)
On-behalf payments - State	258,789	-	-	(258,789)	-	(258,789)
Total governmental activities	<u>2,619,840</u>	<u>-</u>	<u>1,726,469</u>	<u>(893,371)</u>	<u>-</u>	<u>(893,371)</u>
Business-type activities:						
Operating	161,653	128,032	-	-	(33,621)	(33,621)
Total business-type activities	<u>161,653</u>	<u>128,032</u>	<u>-</u>	<u>-</u>	<u>(33,621)</u>	<u>(33,621)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 2,781,493</u>	<u>\$ 128,032</u>	<u>\$ 1,726,469</u>	<u>(893,371)</u>	<u>(33,621)</u>	<u>(926,992)</u>
GENERAL REVENUES						
Local sources				253,666	-	253,666
State sources				92,434	-	92,434
On-behalf payments - State				258,789	-	258,789
On-behalf payments - Local				129,624	-	129,624
Interest income				130,464	17,970	148,434
Total general revenues				<u>864,977</u>	<u>17,970</u>	<u>882,947</u>
CHANGE IN NET ASSETS				(28,394)	(15,651)	(44,045)
NET ASSETS - BEGINNING				1,354,822	336,408	1,691,230
NET ASSETS - ENDING				<u>\$ 1,326,428</u>	<u>\$ 320,757</u>	<u>\$ 1,647,185</u>

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2007

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 50,203	\$ 1,154,855	\$ 148,057	\$ -	\$ 1,353,115
Due from other funds	7,332	14,178	-	(21,510)	-
Prepaid assets	-	12,425	-	-	12,425
Due from other governments:					
Federal	-	24,658	-	-	24,658
<b>TOTAL ASSETS</b>	<b>\$ 57,535</b>	<b>\$ 1,206,116</b>	<b>\$ 148,057</b>	<b>\$ (21,510)</b>	<b>\$ 1,390,198</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,551	\$ 28,237	\$ -	\$ -	\$ 29,788
Due to other funds	-	21,510	-	(21,510)	-
Due to other governments:					
Federal	-	38,199	-	-	38,199
Deferred revenue	-	11,479	-	-	11,479
<b>Total Liabilities</b>	<b>1,551</b>	<b>99,425</b>	<b>-</b>	<b>(21,510)</b>	<b>79,466</b>
<b>FUND BALANCES</b>					
Unreserved, reported in:					
General fund	55,984	-	-	-	55,984
Special revenue fund	-	1,106,691	148,057	-	1,254,748
<b>Total Fund Balances</b>	<b>55,984</b>	<b>1,106,691</b>	<b>148,057</b>	<b>-</b>	<b>1,310,732</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 57,535</b>	<b>\$ 1,206,116</b>	<b>\$ 148,057</b>	<b>\$ (21,510)</b>	<b>\$ 1,390,198</b>

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2007

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS \$ 1,310,732

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. 15,696

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 1,326,428

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
<b>REVENUE</b>					
Local sources	\$ 12,460	\$ 200,743	\$ 40,463	\$ -	\$ 253,666
Local sources - payments made on behalf of region	129,624	-	-	-	129,624
State sources	78,108	1,149,078	3,720	-	1,230,906
State sources - payments made on behalf of region	258,789	-	-	-	258,789
Federal sources	-	587,997	-	-	587,997
Total Revenues	<u>478,981</u>	<u>1,937,818</u>	<u>44,183</u>	<u>-</u>	<u>2,460,982</u>
<b>EXPENDITURES</b>					
Current:					
Salaries and benefits	72,901	1,571,034	4,374	-	1,648,309
Purchased services	13,612	352,452	31,664	-	397,728
Supplies and materials	6,065	92,291	4,387	-	102,743
Capital outlay	-	2,342	-	-	2,342
Payment to other governments	-	2,323	-	-	2,323
Other objects	61,523	-	4,100	-	65,623
On-behalf payments	388,413	-	-	-	388,413
Total Expenditures	<u>542,514</u>	<u>2,020,442</u>	<u>44,525</u>	<u>-</u>	<u>2,607,481</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>					
	<u>(63,533)</u>	<u>(82,624)</u>	<u>(342)</u>	<u>-</u>	<u>(146,499)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in	-	476	-	(476)	-
Transfer out	-	(476)	-	476	-
Interest	54,887	67,313	8,264	-	130,464
Total Other Financing Sources and Uses	<u>54,887</u>	<u>67,313</u>	<u>8,264</u>	<u>-</u>	<u>130,464</u>
<b>NET CHANGE IN FUND BALANCES</b>					
	<u>(8,646)</u>	<u>(15,311)</u>	<u>7,922</u>	<u>-</u>	<u>(16,035)</u>
<b>FUND BALANCES - BEGINNING</b>					
	<u>64,630</u>	<u>1,122,002</u>	<u>140,135</u>	<u>-</u>	<u>1,326,767</u>
<b>FUND BALANCES - ENDING</b>					
	<u>\$ 55,984</u>	<u>\$ 1,106,691</u>	<u>\$ 148,057</u>	<u>\$ -</u>	<u>\$ 1,310,732</u>

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



CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ (16,035)

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	\$ 2,342	
Depreciation expense	(14,701)	(12,359)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (28,394)

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2007

	Business-Type Activities - Enterprise Funds		
	Technology / Testing Cooperative	Film Cooperative	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 245,438	\$ 45,719	\$ 291,157
Prepaid assets	5,783	-	5,783
Total current assets	<u>251,221</u>	<u>45,719</u>	<u>296,940</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation:	23,817	-	23,817
Total noncurrent assets	<u>23,817</u>	<u>-</u>	<u>23,817</u>
<b>TOTAL ASSETS</b>	<u>275,038</u>	<u>45,719</u>	<u>320,757</u>
<b>NET ASSETS</b>			
Invested in capital assets	23,817	-	23,817
Unrestricted	251,221	45,719	296,940
<b>TOTAL NET ASSETS</b>	<u>\$ 275,038</u>	<u>\$ 45,719</u>	<u>\$ 320,757</u>

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

	Business-Type Activities - Enterprise Funds		
	Technology / Testing Cooperative	Film Cooperative	Total
	<u>          </u>	<u>          </u>	<u>          </u>
OPERATING REVENUES			
Local sources	\$ 124,879	\$ 3,153	\$ 128,032
Total operating revenues	<u>124,879</u>	<u>3,153</u>	<u>128,032</u>
 OPERATING EXPENSES			
Salaries and benefits	74,329	7,888	82,217
Purchased services	7,868	-	7,868
Supplies and materials	63,415	170	63,585
Other objects	-	740	740
Depreciation	7,243	-	7,243
Total operating expenses	<u>152,855</u>	<u>8,798</u>	<u>161,653</u>
 OPERATING INCOME (LOSS)	<u>(27,976)</u>	<u>(5,645)</u>	<u>(33,621)</u>
 NONOPERATING REVENUES			
Interest	<u>15,097</u>	<u>2,873</u>	<u>17,970</u>
Total nonoperating revenues	<u>15,097</u>	<u>2,873</u>	<u>17,970</u>
 CHANGE IN NET ASSETS	(12,879)	(2,772)	(15,651)
 TOTAL NET ASSETS - BEGINNING	<u>287,917</u>	<u>48,491</u>	<u>336,408</u>
 TOTAL NET ASSETS - ENDING	<u>\$ 275,038</u>	<u>\$ 45,719</u>	<u>\$ 320,757</u>

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2007

	Business-Type Activities - Enterprise Funds		
	Technology / Testing Cooperative	Film Cooperative	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 146,593	\$ 3,153	\$ 149,746
Payments to suppliers and providers of goods and services	(77,066)	(910)	(77,976)
Payments to employees	(74,329)	(7,888)	(82,217)
Net cash provided by (used for) operating activities	<u>(4,802)</u>	<u>(5,645)</u>	<u>(10,447)</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(10,971)	-	(10,971)
Net cash provided by (used for) capital and financing activities	<u>(10,971)</u>	<u>-</u>	<u>(10,971)</u>
Cash flows from investing activities:			
Interest	15,097	2,873	17,970
Net cash provided by (used for) investing activities	<u>15,097</u>	<u>2,873</u>	<u>17,970</u>
Net increase (decrease) in cash	(676)	(2,772)	(3,448)
Cash - beginning	<u>246,114</u>	<u>48,491</u>	<u>294,605</u>
Cash - ending	<u>\$ 245,438</u>	<u>\$ 45,719</u>	<u>\$ 291,157</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (27,976)	\$ (5,645)	\$ (33,621)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	7,243	-	7,243
Change in assets and liabilities:			
Decrease in due from other governments	21,714	-	21,714
(Increase) in prepaid assets	<u>(5,783)</u>	<u>-</u>	<u>(5,783)</u>
Net cash provided by (used for) operating activities	<u>\$ (4,802)</u>	<u>\$ (5,645)</u>	<u>\$ (10,447)</u>

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUND  
 JUNE 30, 2007

	Agency Fund
<b>ASSETS</b>	
Cash	\$ 24,554
Due from other governments	1,342,929
Total Assets	\$ 1,367,483
 <b>LIABILITIES</b>	
Due to other governments	\$ 1,367,483
Total Liabilities	\$ 1,367,483

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In 2007, the Regional Office of Education #13 implemented Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The Regional Office of Education #13 implemented these standards during the current year, however; they have no impact on the financial statements.

GASB Statement No. 34 established a financial reporting model for State and local governments that included the addition of management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups to the already required fund financial statements and notes.

A. FINANCIAL REPORTING ENTITY

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

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

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. FINANCIAL REPORTING ENTITY (Concluded)

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

For the period ended June 30, 2007, the Regional Office of Education #13 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #13. Such activities are reported as a single major special revenue fund (Education Fund).

E. SCOPE OF THE REPORTING ENTITY

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

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

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

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Concluded)

The Regional Office of Education #13's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental activities for the Regional Office of Education #13 accompanied by a total column. These statements are presented on an "economic resources" measurement as prescribed by GASB Statement No. 34. All of the Regional Office of Education #13's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services, and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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



CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

E. PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING

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

GOVERNMENTAL FUNDS

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

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

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

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

- ROE/ISC Operations – This fund accounts for the grant that provides the funding for the Regional Office of Education.
- School Development and Improvement – This fund accounts for miscellaneous workshops and/or in-service training to local educators on numerous educational activities.
- Special Projects – This fund accounts for miscellaneous expenses and programs that benefit the school districts and/or regional office.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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:

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

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

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

Title IV Safe & Drug Free School – This program provides a counselor to implement educational and prevention strategies.

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

Title I Reading First Part B SEA Funds – This program provides consultant training and reading workshops for local teachers.

Title II Teacher Quality – This program provides teacher workshops.

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

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

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

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

English Language Learning – This program provides training for administrators and teachers in schools who have English language learners. In-service includes legal requirements for ELL students as well as best classroom strategies for teachers.

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

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

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

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

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

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

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

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

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

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

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

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

PROPRIETARY FUNDS

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

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

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

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

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

FIDUCIARY FUND

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

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

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. NET ASSETS

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

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

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

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

I. CASH AND CASH EQUIVALENTS

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

J. INVENTORY

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

K. CAPITAL ASSETS

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

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

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

L. COMPENSATED ABSENCES

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

Employees receive up to 12 sick days annually and the unused portion is accumulated up to 180 days and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay and therefore; no liability is accrued.

M. ESTIMATES

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

N. BUDGET INFORMATION

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

NOTE 2 – CASH AND CASH EQUIVALENTS

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

A. DEPOSITS

At June 30, 2007, the carrying amount of the Regional Office of Education #13's government-wide and agency fund deposits were \$1,644,272 and \$24,554, respectively, and the bank balances were \$1,715,190 and \$69,175, respectively. Of the total bank balances as of June 30, 2007, \$115,372 was secured by federal depository insurance and \$1,599,818 was collateralized by securities pledged by the Regional Office of Education #13's financial institution on behalf of the Regional Office.



CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 2 – CASH AND CASH EQUIVALENTS (Concluded)

E. INVESTMENTS

The Regional Office of Education #13 does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2007, the Regional Office of Education #13 had investments with carrying and fair value of \$69,175 invested in the Illinois Funds Money Market Fund.

CREDIT RISK

At June 30, 2007, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

INTEREST RATE RISK

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

CONCENTRATION OF CREDIT RISK

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

NOTE 3 - DEFINED BENEFIT PENSION PLAN

The Regional Office of Education #13'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.

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2007

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Concluded)

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 #13 is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 12.41 percent of payroll. The Regional Office of Education #13's 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 #13's annual pension cost of \$100,270 was equal to the Regional Office of Education #13's required and actual contributions. The required contribution was determined as part of the December 31, 2004 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.

A. TREND INFORMATION

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contribution</u>	<u>Net Pension Obligation</u>
12/31/06	100,270	100%	\$0
12/31/05	97,563	100%	0
12/31/04	88,445	100%	0
12/31/03	81,962	100%	0
12/31/02	71,238	100%	0
12/31/01	71,087	100%	0
12/31/00	66,653	100%	0
12/31/99	49,354	100%	0
12/31/98	46,475	100%	0
12/31/97	29,975	100%	0

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

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

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

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate through June 30, 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 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 the retirement plan. The employer THIS Fund contribution was 0.60 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 #13 TRS-covered employees.

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #13. For the year ended June 30, 2007, State of Illinois contributions were based on 9.78 percent of creditable earnings, and the Regional Office of Education #13 recognized revenue and expenditures of \$68,961 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 (\$46,760) and 11.76 percent (\$75,070), respectively.

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

- **2.2 formula contributions.** Employers contribute .58 percent of creditable earnings for the 2.2 formula change. Contributions for the year ended June 30, 2007 were \$4,090. Contributions for the years ending June 30, 2006, and June 30, 2005, were \$3,841 and \$3,703, respectively.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

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

- **Federal and trust fund contributions.** When TRS members are paid from federal and trust funds administered by the Regional Office of Education #13, there is a statutory requirement for the Regional Office of Education #13 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in fiscal year ended June 30, 2007, employer contributions for employees paid from federal and trust funds will be the same as the state contribution rate to TRS. For the year ended June 30, 2007, the employer pension contribution was 9.78 percent of salaries paid from those funds. For the years ended June 30, 2006, the employer 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 \$110,383 were paid from federal and trust funds that required employer contributions of \$10,795. For the years ended June 30, 2006, and June 30 2005, required Regional Office of Education #13 contributions were \$5,689 and \$8,520, respectively.
  
- **Early Retirement Option.** The Regional Office of Education #13 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires. Under Public Act 94-0004, a "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies for the Pipeline ERO). Under the ERO program that expired 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 #13 paid no TRS for employer contributions for under the Pipeline ERO and Modified ERO programs. For the years ended June 30, 2006 and June 30, 2005, the Regional Office of Education #13 paid no employer ERO contributions.

- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two new employer contributions to TRS.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

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

- If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2007, the Regional Office of Education #13 paid no TRS for employer contributions due on salary increases in excess of 6 percent. For the year, ended June 30, 2006, the Regional Office of Education #13 paid no employer contributions due on salary increases in excess of 6 percent.

- If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the 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 year ended June 30, 2007, the Regional Office of Education #13 paid no TRS for sick leave days granted in the excess of the normal annual allotment. For the year ended June 30, 2006, the district paid no employer contributions granted for sick leave days.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and State funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for year ended June 30, 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 Teacher's Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at [trs.illinois.gov](http://trs.illinois.gov).

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2007

NOTE 5 - INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2007 consist of the following individual due to/from other funds in the governmental fund balance sheet. These balances were eliminated in the government-wide Statement of Net Assets.

<u>From</u>	<u>To</u>	<u>Amount</u>
<u>Education Fund</u>	<u>Education Fund</u>	
Alternative Education Project	Regional System of Support Provider	\$ 14,178
<u>General Fund</u>		
Special Projects	NBPTS	<u>7,332</u>
		<u>\$ 21,510</u>

TRANSFERS

Interfund transfer in/out to other fund balances at June 30, 2007 consist of the following individual transfers in/out to other funds in the governmental fund balance sheet. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
<u>Education Fund:</u>	<u>Education Fund:</u>	
Title IV Safe and Drug Free School	Conference	87
Title I Reading First Part B SEA	Conference	389
Total Transfers In/Out		<u>\$ 476</u>

NOTE 6 - CAPITAL ASSET ACTIVITY

In accordance with GASB Statement No. 34, the Regional Office of Education #13 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental activities statements. Purchases of business-type capital assets are capitalized when purchased. Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2007 of \$14,701 and \$7,243 was charged to the governmental activities and business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 6 - CAPITAL ASSETS ACTIVITY (Continued)

The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2007:

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>Governmental Activities:</b>				
<u>General Fund</u>				
ROE Operations	\$ 38,246	\$ -	\$ 9,182	\$ 29,064
School Development and Improvement	83,071	-	26,461	56,610
Special Projects	4,530	-	2,283	2,247
<u>Education Fund</u>				
Truants Alternative/Optional Education	35,302	-	16,411	18,891
Even Start/Early Childhood Block Grant	19,448	-	19,448	-
Title I - Reading First Part B SEA Funds	5,608	-	-	5,608
Title II - Teacher Quality	2,712	-	2,712	-
Regional Safe Schools	20,241	-	6,980	13,261
Special Education for Infants and Families with Disabilities	57,091	-	20,470	36,621
Alternative Education Project	2,988	-	-	2,988
Safe School Tuition	4,710	2,342	-	7,052
Safe School Projects	27,508	-	1,428	26,080
Scientific Literacy	3,917	-	699	3,218
<u>Nonmajor Fund</u>				
Institute	-	-	-	-
General Education Development	5,466	-	-	5,466
<b>Governmental Funds Total Assets</b>	<b>310,838</b>	<b>2,342</b>	<b>106,074</b>	<b>207,106</b>
<b>Less: Accumulated Depreciation</b>	<b>282,783</b>	<b>14,701</b>	<b>106,074</b>	<b>191,410</b>
<b>Governmental Funds</b>				
Investment in Capital Assets, Net	<u>\$ 28,055</u>	<u>\$ (12,359)</u>	<u>\$ -</u>	<u>\$ 15,696</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2007

NOTE 6 - CAPITAL ASSETS ACTIVITY (Concluded)

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
Business-type Activities:				
Technology/Testing Cooperative	\$ 27,854	\$ 10,971	\$ -	\$ 38,825
Business-type Activities				
Total Capital Assets	27,854	10,971	-	38,825
Less: Accumulated Depreciation	<u>7,765</u>	<u>7,243</u>	<u>-</u>	<u>15,008</u>
Business-type Activities				
Investment in Capital Assets, Net	<u>\$ 20,089</u>	<u>\$ 3,728</u>	<u>\$ -</u>	<u>\$ 23,817</u>

NOTE 7 - RISK MANAGEMENT

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

NOTE 8 - ON BEHALF PAYMENTS

Clinton, Marion and Washington Counties provide the Regional Office of Education #13 with staff and pay certain expenditures on behalf of the Regional Office of Education #13. The expenditures paid on the Regional Office of Education #13's behalf for the year ended June 30, 2007, were as follows:

Salaries and benefits	\$ 102,530
Purchased services	20,942
Supplies and materials	<u>6,152</u>
Total	<u>\$ 129,624</u>

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



CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2007

NOTE 8 – ON BEHALF PAYMENTS (Concluded)

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

Regional Superintendent Salary	\$ 84,737
Regional Superintendent Fringe Benefit (Includes State paid insurance)	18,387
Assistant Regional Superintendent Salary	76,263
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	10,441
TRS Pension contribution	<u>68,961</u>
 Total	 <u>\$258,789</u>

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

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

NOTE 9 - DUE TO/FROM OTHER GOVERNMENTS

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

Due From Other Governments:

<u>Fiduciary Fund</u>	
Illinois State Board of Education	\$1,342,929
<u>Educational Fund</u>	
Illinois State Board of Education	<u>24,658</u>
Total	<u>\$1,367,587</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2007

NOTE 9 - DUE TO/FROM OTHER GOVERNMENTS (Concluded)

Due To Other Governments:

<u>Fiduciary Fund</u>	
Local School Districts	\$1,367,483
<u>Education Fund</u>	
Illinois State Board of Education	347
Department of Human Services	<u>37,852</u>
Total	<u>\$1,405,682</u>

NOTE 10 - GENERAL STATE AID

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

From State Sources:

Alternative Education Project	106,200
Safe School Project	<u>115,801</u>
Total General State Aid	<u>\$ 222,001</u>

NOTE 11 - OPERATING LEASE

The Regional Office of Education #13 has entered into several annual operating lease agreements for the Alternative School, Safe School, Child and Family Connections program, and the Kaskaskia Area Partnership Workforce Preparation program within the Education Fund. Total rent expense for the year ended June 30, 2007 is \$26,370.

REQUIRED SUPPLEMENTAL INFORMATION  
(Other than Management Discussion and Analysis)

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Unfunded Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ( (b-a)/c )
12/30/06	1,264,843	1,348,852	84,009	93.77%	807,976	10.40%
12/31/05	1,059,724	1,164,174	104,450	91.03%	774,312	13.49%
12/31/04	872,917	1,026,697	153,780	85.02%	743,861	20.67%
12/31/03	763,591	912,023	148,432	83.72%	736,403	20.16%
12/31/02	782,955	849,216	66,261	92.20%	752,245	8.81%
12/31/01	689,235	749,920	60,685	91.91%	696,931	8.71%
12/31/00	528,496	558,804	30,308	94.58%	545,446	5.56%
12/31/99	399,069	458,903	59,834	86.96%	456,138	13.12%
12/31/98	292,955	394,174	101,219	74.32%	413,112	24.50%
12/31/97	219,958	278,945	58,987	78.85%	283,832	20.78%

On a market value basis, the actuarial value of assets as of December 31, 2006 is \$1,346,766.

On a market basis, the funded ratio would be 99.85%

**\* 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 more early retirements are expected to occur.

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

## SUPPLEMENTAL INFORMATION

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND  
 JUNE 30, 2007

	ROE/ISC Operations	School Development and Improvement	Special Projects	TOTALS
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,551	\$ -	\$ 48,652	\$ 50,203
Due from other funds	-	-	7,332	7,332
<b>TOTAL ASSETS</b>	<b>\$ 1,551</b>	<b>\$ -</b>	<b>\$ 55,984</b>	<b>\$ 57,535</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,551	\$ -	\$ -	\$ 1,551
<b>Total Liabilities</b>	<b>1,551</b>	<b>-</b>	<b>-</b>	<b>1,551</b>
<b>FUND BALANCES</b>				
Unreserved	-	-	55,984	55,984
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>55,984</b>	<b>55,984</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,551</b>	<b>\$ -</b>	<b>\$ 55,984</b>	<b>\$ 57,535</b>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2007

	ROE/ISC Operations	School Development and Improvement	Special Projects	TOTALS
<b>REVENUES</b>				
Local sources	\$ -	\$ 406	\$ 12,054	\$ 12,460
Local sources - payments made on behalf of region	-	-	129,624	129,624
State sources	78,108	-	-	78,108
State sources - payments made on behalf of region	-	-	258,789	258,789
Total Revenues	<u>78,108</u>	<u>406</u>	<u>400,467</u>	<u>478,981</u>
<b>EXPENDITURES</b>				
Current:				
Salaries and benefits	71,534	-	1,367	72,901
Purchased services	4,671	1,308	7,633	13,612
Supplies and materials	2,132	-	3,933	6,065
Other objects	-	-	61,523	61,523
On-behalf payments	-	-	388,413	388,413
Total Expenditures	<u>78,337</u>	<u>1,308</u>	<u>462,869</u>	<u>542,514</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>(229)</u>	<u>(902)</u>	<u>(62,402)</u>	<u>(63,533)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interest	229	4	54,654	54,887
Total other financing sources (uses)	<u>229</u>	<u>4</u>	<u>54,654</u>	<u>54,887</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	-	(898)	(7,748)	(8,646)
<b>FUND BALANCES - BEGINNING</b>				
	<u>-</u>	<u>898</u>	<u>63,732</u>	<u>64,630</u>
<b>FUND BALANCES - ENDING</b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,984</u>	<u>\$ 55,984</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2006 to June 30, 2007)  
 GENERAL FUND ACCOUNTS  
 ROE/ISC OPERATIONS  
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
State sources	\$ 78,108	\$ 78,108	\$ 78,108
Total Revenues	<u>78,108</u>	<u>78,108</u>	<u>78,108</u>
<b>EXPENDITURES</b>			
Current:			
Salaries and benefits	51,000	68,753	71,534
Purchased services	22,108	7,355	4,671
Supplies and materials	5,000	2,000	2,132
Total Expenditures	<u>78,108</u>	<u>78,108</u>	<u>78,337</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>(229)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfer in	-	-	-
Interest	-	-	229
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>229</u>
<b>NET CHANGE IN FUND BALANCES</b>			
	-	-	-
<b>FUND BALANCES - BEGINNING</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2007

	Administrator's Academy	Truant Alternative/Optional Education	Title IV Safe & Drug Free School	Even Start/ Early Childhood Block Grant	Title I Reading First Part B SEA Funds	Title II Teacher Quality
<b>ASSETS</b>						
Cash and cash equivalents	\$ 6,125	\$ 90,087	\$ -	\$ 55,801	\$ -	\$ 134,037
Due from other funds	-	-	-	-	-	-
Prepaid Assets	-	-	-	-	-	-
Due from other governments:						
Federal	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 6,125</b>	<b>\$ 90,087</b>	<b>\$ -</b>	<b>\$ 55,801</b>	<b>\$ -</b>	<b>\$ 134,037</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 7,582	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Due to other governments:						
Federal	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>7,582</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>						
Unreserved	6,125	82,505	-	55,801	-	134,037
<b>Total Fund Balances</b>	<b>6,125</b>	<b>82,505</b>	<b>-</b>	<b>55,801</b>	<b>-</b>	<b>134,037</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6,125</b>	<b>\$ 90,087</b>	<b>\$ -</b>	<b>\$ 55,801</b>	<b>\$ -</b>	<b>\$ 134,037</b>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #10  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2007

	Regional Safe Schools	Standards Aligned Classroom	Conference	Staff Development	English Language Learning	Special Education for Infants and Families with Disabilities
<b>ASSETS</b>						
Cash and cash equivalents	\$ 22,038	\$ 9,253	\$ 9,923	\$ 35,102	\$ 4,002	\$ 39,900
Due from other funds	-	-	-	-	-	-
Prepaid Assets	-	-	-	-	-	-
Due from other governments:						
Federal	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 22,038</u>	<u>\$ 9,253</u>	<u>\$ 9,923</u>	<u>\$ 35,102</u>	<u>\$ 4,002</u>	<u>\$ 39,900</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 17,178	\$ -	\$ -	\$ -	\$ 1,429	\$ 2,048
Due to other funds	-	-	-	-	-	-
Due to other governments:						
Federal	-	347	-	-	-	37,852
Deferred revenue	-	8,906	-	-	2,573	-
<b>Total Liabilities</b>	<u>17,178</u>	<u>9,253</u>	<u>-</u>	<u>-</u>	<u>4,002</u>	<u>39,900</u>
<b>FUND BALANCES</b>						
Unreserved	<u>4,860</u>	<u>-</u>	<u>9,923</u>	<u>35,102</u>	<u>-</u>	<u>-</u>
<b>Total Fund Balances</b>	<u>4,860</u>	<u>-</u>	<u>9,923</u>	<u>35,102</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 22,038</u>	<u>\$ 9,253</u>	<u>\$ 9,923</u>	<u>\$ 35,102</u>	<u>\$ 4,002</u>	<u>\$ 39,900</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2007

	NBPTS	Regional System of Support Provider	Alternative Education Project	Safe School Tuition	Safe School Projects	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 438,836	\$ 122,928	\$ 186,823	\$ 1,154,855
Due from other funds	-	-	14,178	-	-	14,178
Prepaid Assets	-	-	-	12,425	-	12,425
Due from other governments:	-	-	-	-	-	-
Federal	7,332	14,178	-	-	3,148	24,658
<b>TOTAL ASSETS</b>	<b>\$ 7,332</b>	<b>\$ 14,178</b>	<b>\$ 453,014</b>	<b>\$ 135,353</b>	<b>\$ 189,971</b>	<b>\$ 1,206,116</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,237
Due to other funds	7,332	14,178	-	-	-	21,510
Due to other governments:	-	-	-	-	-	-
Federal	-	-	-	-	-	38,199
Deferred revenue	-	-	-	-	-	11,479
<b>Total Liabilities</b>	<b>7,332</b>	<b>14,178</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99,425</b>
<b>FUND BALANCES</b>						
Unreserved	-	-	453,014	135,353	189,971	1,106,691
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>453,014</b>	<b>135,353</b>	<b>189,971</b>	<b>1,106,691</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,332</b>	<b>\$ 14,178</b>	<b>\$ 453,014</b>	<b>\$ 135,353</b>	<b>\$ 189,971</b>	<b>\$ 1,206,116</b>

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2007

	Administrator's Academy	Truant Alternative/Optional Education	Title IV Safe & Drug Free School	Even Start/ Early Childhood Block Grant	Title I Reading First Part B SEA Funds	Title II Teacher Quality
<b>REVENUES</b>						
Local sources	\$ 7,290	\$ 336	\$ -	\$ 9,960	\$ -	\$ 40,698
State sources	-	155,564	-	471,721	-	-
Federal sources	-	14,725	-	-	11,293	-
Total Revenue	<u>7,290</u>	<u>170,625</u>	<u>-</u>	<u>481,681</u>	<u>11,293</u>	<u>40,698</u>
<b>EXPENDITURES</b>						
Current:						
Salaries and benefits	-	146,183	4,742	416,046	2,421	-
Purchased services	8,333	33,748	-	33,394	9,203	37,742
Supplies and materials	351	4,587	-	20,624	81	1,659
Capital outlay	-	-	-	-	-	-
Payments to other governments	-	-	2,323	-	-	-
Total Expenditures	<u>8,684</u>	<u>184,518</u>	<u>7,065</u>	<u>470,064</u>	<u>11,705</u>	<u>39,401</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,394)</u>	<u>(13,893)</u>	<u>(7,065)</u>	<u>11,617</u>	<u>(412)</u>	<u>1,297</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer in	-	-	87	-	389	-
Transfer out	-	-	-	-	-	-
Interest	363	5,460	115	4,998	23	8,396
Total Other Financing Sources (Uses)	<u>363</u>	<u>5,460</u>	<u>202</u>	<u>4,998</u>	<u>412</u>	<u>8,396</u>
NET CHANGE IN FUND BALANCES	(1,031)	(8,433)	(6,863)	16,615	-	9,693
FUND BALANCES - BEGINNING	<u>7,156</u>	<u>90,938</u>	<u>6,863</u>	<u>39,186</u>	<u>-</u>	<u>124,344</u>
FUND BALANCES - ENDING	<u>\$ 6,125</u>	<u>\$ 82,505</u>	<u>\$ -</u>	<u>\$ 55,801</u>	<u>\$ -</u>	<u>\$ 134,037</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2007

	Regional Safe Schools	Standards Aligned Classroom	Conference	Staff Development	English Language Learning	Special Education for Infants and Families with Disabilities
<b>REVENUES</b>						
Local sources	\$ 432	\$ -	\$ 30,700	\$ 11,008	\$ 40	\$ 13
State sources	153,210	-	16,800	-	-	117,651
Federal sources	-	43,356	-	-	2,427	448,361
Total Revenue	<u>153,642</u>	<u>43,356</u>	<u>47,500</u>	<u>11,008</u>	<u>2,467</u>	<u>566,025</u>
<b>EXPENDITURES</b>						
Current:						
Salaries and benefits	136,173	26,867	270	-	-	435,975
Purchased services	20,484	12,428	34,444	2,081	2,380	119,686
Supplies and materials	1,916	4,161	4,324	1,510	169	10,464
Capital outlay	-	-	-	-	-	-
Payments to other governments	-	-	-	-	-	-
Total Expenditures	<u>158,573</u>	<u>43,456</u>	<u>39,038</u>	<u>3,591</u>	<u>2,549</u>	<u>566,125</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(4,931)</u>	<u>(100)</u>	<u>8,462</u>	<u>7,417</u>	<u>(82)</u>	<u>(100)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer in	-	-	-	-	-	-
Transfer out	-	-	(476)	-	-	-
Interest	670	100	284	1,405	82	100
Total Other Financing Sources (Uses)	<u>670</u>	<u>100</u>	<u>(192)</u>	<u>1,405</u>	<u>82</u>	<u>100</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(4,261)</u>	<u>-</u>	<u>8,270</u>	<u>8,822</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - BEGINNING</b>	<u>9,121</u>	<u>-</u>	<u>1,653</u>	<u>26,280</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 4,860</u>	<u>\$ -</u>	<u>\$ 9,923</u>	<u>\$ 35,102</u>	<u>\$ -</u>	<u>\$ -</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2007

	NBPTS	Regional System of Support Provider	Alternative Education Project	Safe School Tuition	Safe School Projects	TOTAL
<b>REVENUES</b>						
Local sources	\$ -	\$ -	\$ -	\$ 100,266	\$ -	\$ 200,743
State sources	-	12,131	106,200	-	115,801	1,149,078
Federal sources	14,979	40,266	-	-	12,590	587,997
Total Revenue	14,979	52,397	106,200	100,266	128,391	1,937,818
<b>EXPENDITURES</b>						
Current:						
Salaries and benefits	4,997	50,077	170,434	56,267	120,582	1,571,034
Purchased services	9,590	2,320	2,050	19,446	5,123	352,452
Supplies and materials	392	-	11,869	30,184	-	92,291
Capital outlay	-	-	-	2,342	-	2,342
Payments to other governments	-	-	-	-	-	2,323
Total Expenditures	14,979	52,397	184,353	108,239	125,705	2,020,442
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>						
	-	-	(78,153)	(7,973)	2,686	(82,624)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer in	-	-	-	-	-	476
Transfer out	-	-	-	-	-	(476)
Interest	-	-	28,543	7,085	9,689	67,313
Total Other Financing Sources (Uses)	-	-	28,543	7,085	9,689	67,313
<b>NET CHANGE IN FUND BALANCES</b>						
	-	-	(49,610)	(888)	12,375	(15,311)
<b>FUND BALANCES - BEGINNING</b>						
	-	-	502,624	136,241	177,596	1,122,002
<b>FUND BALANCES - ENDING</b>						
	\$ -	\$ -	\$ 453,014	\$ 135,353	\$ 189,971	\$ 1,106,691

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2006 to June 30, 2007)  
EDUCATION FUND ACCOUNTS  
TRUANT ALTERNATIVE/OPTIONAL EDUCATION  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Local sources	\$ -	\$ -	\$ 336
State sources	144,610	154,733	155,564
Federal sources		-	14,725
Total Revenues	<u>144,610</u>	<u>154,733</u>	<u>170,625</u>
<b>EXPENDITURES</b>			
Current:			
Salaries and benefits	118,390	124,900	146,183
Purchased services	25,220	28,333	33,748
Supplies and materials	1,000	1,500	4,587
Total Expenditures	<u>144,610</u>	<u>154,733</u>	<u>184,518</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(13,893)</u>
<b>OTHER FINANCING SOUCES (USES)</b>			
Interest	-	-	5,460
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>5,460</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>-</u>	<u>(8,433)</u>
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>90,938</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,505</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2006 to June 30, 2007)  
 EDUCATION FUND ACCOUNTS  
 EVEN START/EARLY CHILDHOOD BLOCK GRANT  
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
<b>REVENUES</b>			
Local sources	\$ -	\$ -	\$ 9,960
State sources	513,960	529,100	471,721
Total Revenues	<u>513,960</u>	<u>529,100</u>	<u>481,681</u>
<b>EXPENDITURES</b>			
Current:			
Salaries and benefits	464,940	480,080	416,046
Purchased services	30,660	32,460	33,394
Supplies and materials	18,360	16,560	20,624
Total Expenditures	<u>513,960</u>	<u>529,100</u>	<u>470,064</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>11,617</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interest	-	-	4,998
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,998</u>
<b>NET CHANGE IN FUND BALANCES</b>			
	-	-	16,615
<b>FUND BALANCES - BEGINNING</b>			
	<u>-</u>	<u>-</u>	<u>39,186</u>
<b>FUND BALANCES - ENDING</b>			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,801</u>



CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2006 to June 30, 2007)  
 EDUCATION FUND ACCOUNTS  
 REGIONAL SAFE SCHOOLS  
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Local sources	\$ -	\$ -	\$ 432
State sources	153,057	153,210	153,210
Total Revenues	<u>153,057</u>	<u>153,210</u>	<u>153,642</u>
<b>EXPENDITURES</b>			
Current:			
Salaries and benefits	131,900	131,900	136,173
Purchased services	19,956	20,109	20,484
Supplies and materials	1,201	1,201	1,916
Total Expenditures	<u>153,057</u>	<u>153,210</u>	<u>158,573</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	-	-	(4,931)
<b>OTHER FINANCING SOURCES (USES)</b>			
Interest	-	-	670
Total Other Financing Sources (Uses)	-	-	670
<b>NET CHANGE IN FUND BALANCES</b>			
	-	-	(4,261)
<b>FUND BALANCES - BEGINNING</b>			
	-	-	9,121
<b>FUND BALANCES - ENDING</b>			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,860</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2006 to June 30, 2007)  
EDUCATION FUND ACCOUNTS  
ENGLISH LANGUAGE LEARNING  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Local sources	\$ -	\$ -	\$ 40
Federal sources	5,000	5,000	2,427
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>2,467</u>
<b>EXPENDITURES</b>			
Current:			
Salaries and benefits	-	-	-
Purchased services	4,500	4,500	2,380
Supplies and materials	500	500	169
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>2,549</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(82)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interest	-	-	82
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>82</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2006 to June 30, 2007)  
EDUCATION FUND ACCOUNTS  
SPECIAL EDUCATION FOR INFANTS AND FAMILIES WITH DISABILITIES  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Local sources	\$ -	\$ -	\$ 13
State sources	-	-	117,651
Federal sources	647,278	647,278	448,361
Total Revenues	<u>647,278</u>	<u>647,278</u>	<u>566,025</u>
<b>EXPENDITURES</b>			
Current:			
Salaries and benefits	451,466	451,466	435,975
Purchased services	185,812	185,812	119,686
Supplies and materials	6,000	6,000	10,464
Capital outlay	4,000	4,000	-
Total Expenditures	<u>647,278</u>	<u>647,278</u>	<u>566,125</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>(100)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interest	-	-	100
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>100</u>
<b>NET CHANGE IN FUND BALANCES</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - BEGINNING</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2006 to June 30, 2007)  
EDUCATION FUND ACCOUNTS  
SAFE SCHOOL PROJECTS  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
State sources	\$ -	\$ -	\$ 115,801
Federal sources	12,590	12,590	12,590
Total Revenues	<u>12,590</u>	<u>12,590</u>	<u>128,391</u>
<b>EXPENDITURES</b>			
Current:			
Salaries and benefits	12,590	12,590	120,582
Purchased services	-	-	5,123
Total Expenditures	<u>12,590</u>	<u>12,590</u>	<u>125,705</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>2,686</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interest	-	-	9,689
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>9,689</u>
<b>NET CHANGE IN FUND BALANCES</b>			
	-	-	12,375
<b>FUND BALANCES - BEGINNING</b>			
	<u>-</u>	<u>-</u>	<u>177,596</u>
<b>FUND BALANCES - ENDING</b>			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,971</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of September 1, 2005 to August 31, 2006)  
 EDUCATION FUND ACCOUNTS  
 TITLE I READING FIRST PART B SEA FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Expended	Expended	Total
	Original	Final	09/01/05 - 06/30/06	07/01/06 - 08/31/06	Actual Expenditures
<b>REVENUES</b>					
Federal sources	\$ 24,327	\$ 24,327	\$ 13,035	\$ 11,293	\$ 24,328
Total Revenues	<u>24,327</u>	<u>24,327</u>	<u>13,035</u>	<u>11,293</u>	<u>24,328</u>
<b>EXPENDITURES</b>					
Current:					
Salaries and benefits	7,000	7,000	3,681	2,421	6,102
Purchased services	15,327	15,327	6,588	9,203	15,791
Supplies and materials	2,000	2,000	2,866	81	2,947
Total Expenditures	<u>24,327</u>	<u>24,327</u>	<u>13,135</u>	<u>11,705</u>	<u>24,840</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>					
	<u>-</u>	<u>-</u>	<u>(100)</u>	<u>(412)</u>	<u>(512)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in	-	-	-	389	389
Interest	-	-	100	23	123
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>100</u>	<u>412</u>	<u>512</u>
<b>NET CHANGE IN FUND BALANCES</b>					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - BEGINNING</b>					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2007

	<u>Institute</u>	<u>General Education Development</u>	<u>Bus Driver Training</u>	<u>Supervisory</u>	<u>TOTALS</u>
ASSETS					
Cash and cash equivalents	\$ 121,866	\$ 17,056	\$ 9,135	\$ -	\$ 148,057
TOTAL ASSETS	<u>\$ 121,866</u>	<u>\$ 17,056</u>	<u>\$ 9,135</u>	<u>\$ -</u>	<u>\$ 148,057</u>
FUND BALANCES					
Unreserved	\$ 121,866	\$ 17,056	\$ 9,135	\$ -	\$ 148,057
TOTAL FUND BALANCES	<u>\$ 121,866</u>	<u>\$ 17,056</u>	<u>\$ 9,135</u>	<u>\$ -</u>	<u>\$ 148,057</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #15  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

	Institute	General Education Development	Bus Driver Training	Supervisory	TOTALS
<b>REVENUES</b>					
Local sources	\$ 31,126	\$ 7,809	\$ 1,528	\$ -	\$ 40,463
State sources	-	-	720	3,000	3,720
Total Revenues	<u>31,126</u>	<u>7,809</u>	<u>2,248</u>	<u>3,000</u>	<u>44,183</u>
<b>EXPENDITURES</b>					
Current:					
Salaries and benefits	1,990	-	2,384	-	4,374
Purchased services	22,698	4,259	1,654	3,053	31,664
Supplies and materials	201	4,081	105	-	4,387
Other objects	4,100	-	-	-	4,100
Total Expenditures	<u>28,989</u>	<u>8,340</u>	<u>4,143</u>	<u>3,053</u>	<u>44,525</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,137</u>	<u>(531)</u>	<u>(1,895)</u>	<u>(53)</u>	<u>(342)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Interest	6,664	960	587	53	8,264
Total Other Financing Sources (Uses)	<u>6,664</u>	<u>960</u>	<u>587</u>	<u>53</u>	<u>8,264</u>
NET CHANGE IN FUND BALANCES	8,801	429	(1,308)	-	7,922
FUND BALANCES - BEGINNING	<u>113,065</u>	<u>16,627</u>	<u>10,443</u>	<u>-</u>	<u>140,135</u>
FUND BALANCES - ENDING	<u>\$ 121,866</u>	<u>\$ 17,056</u>	<u>\$ 9,135</u>	<u>\$ -</u>	<u>\$ 148,057</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #13  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUND  
 YEAR ENDED JUNE 30, 2007

	<u>Balance 7/1/2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2007</u>
<u>Distributive Fund</u>				
<b>ASSETS</b>				
Cash	\$ -	\$ 73,303,292	\$ 73,278,738	\$ 24,554
Due from other governments	1,970,076	667,514	1,294,661	1,342,929
 Total Assets	 <u>\$ 1,970,076</u>	 <u>\$ 73,970,806</u>	 <u>\$ 74,573,399</u>	 <u>\$ 1,367,483</u>
 <b>LIABILITIES</b>				
Due to other governments	\$ 1,970,076	\$ 73,970,806	\$ 74,573,399	\$ 1,367,483
 Total Liabilities	 <u>\$ 1,970,076</u>	 <u>\$ 73,970,806</u>	 <u>\$ 74,573,399</u>	 <u>\$ 1,367,483</u>



CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES  
DISTRIBUTIVE FUND  
FOR THE YEAR ENDED JUNE 30, 2007

TREASURER	General State Aid	Special Education	Vocational Education	Bilingual Ed	Lunch & Milk	Driver Education
Percz (#1)	\$ 3,638,022	\$ 412,883	\$ -	\$ -	\$ 172,412	\$ 14,932
Bair (#3)	4,173,085	428,503	-	-	124,848	14,719
Nettemeier (#12)	1,520,319	241,873	-	-	108,109	-
Koflbrecher (#14/15)	614,132	29,373	-	-	11,418	-
Kuper (#21)	1,005,395	58,479	-	-	18,739	-
Holkamp (#46)	798,633	81,920	-	-	49,827	-
Tomies (#57)	626,436	55,582	-	-	6,248	-
Becsmann (#60)	1,030,656	71,052	-	-	19,863	-
Arntsen (#62)	384,237	33,249	-	80	10,941	-
Deinneke (#63)	599,860	28,046	-	498	12,375	-
Kampwerth (#71)	1,209,538	139,208	-	-	38,792	41,196
Holkamp (#186)	547,068	28,272	-	-	51,378	-
Smith (#1)	1,135,942	68,044	-	-	46,375	-
Alv's (#2)	470,705	14,394	-	-	22,649	-
Hal (#7)	1,229,508	45,491	-	-	71,654	-
Phillips (#10)	860,638	83,066	-	-	39,468	-
Woolsey (#100)	695,303	62,244	-	-	62,365	3,408
Lloyd (#111)	3,801,206	347,822	-	-	264,127	-
Lafloon (#122)	1,134,068	82,231	-	-	57,190	-
Holkamp (#133)	1,196,612	61,122	-	-	64,377	-
Woolfel (#135)	6,166,986	601,351	-	-	523,359	-
Broughton (#200)	3,949,616	350,614	-	-	129,051	39,686
Doclen (#401)	2,428,470	274,461	-	-	178,064	10,057
Hurtes (#501)	2,649,072	220,157	-	-	155,423	7,081
Hughes (#600)	2,879,473	174,217	-	-	101,741	30,266
Lafloon (#700)	440,994	28,640	-	-	8,384	4,002
McClay (#1)	273,787	35,487	-	-	10,057	-
Hurd (#10)	1,977,366	131,658	-	-	41,704	7,748
Becmeyer (#11)	390,854	31,393	-	-	29,688	-
Deering (#15)	559,143	49,937	-	-	48,694	-
Bierman (#29)	281,056	45,357	-	-	12,354	-
Sneid (#49)	872,431	158,394	-	-	65,902	-
Bruiggemann (#99)	1,472,923	329,428	-	-	19,947	20,840
Carver and Tech Ed Sys	-	-	530,922	-	-	-
Hazel Hopkins	-	1,128,224	-	-	11,437	-
IL Funds Interest	-	-	-	-	-	-
Totals	<u>\$51,013,534</u>	<u>\$ 5,932,172</u>	<u>\$ 530,922</u>	<u>\$ 578</u>	<u>\$ 2,588,960</u>	<u>\$ 193,935</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES  
DISTRIBUTIVE FUND  
FOR THE YEAR ENDED JUNE 30, 2007

TREASURER	Transportation	Reading Improvement	Safety/Ed Block Grant	National Bd Initiatives	Early Childhood
Percz (#1)	\$ 502,905	\$ 41,303	\$ 46,045	\$ -	\$ 270,317
Bair (#3)	289,296	37,753	50,732	-	268,308
Netemeier (#12)	229,012	26,368	23,927	-	-
Kolbrecher (#14/15)	28,482	10,520	6,787	-	75,912
Kuper (#21)	94,957	10,980	11,919	-	119,180
Holkamp (#46)	82,670	9,983	7,388	-	-
Tomies (#57)	54,390	5,706	6,170	-	-
Becmann (#60)	64,801	10,270	10,906	-	41,818
Arntsen (#62)	44,792	4,025	4,295	-	-
Deincke (#63)	22,825	7,185	6,952	-	-
Karpwerth (#71)	358,130	5,767	22,606	-	-
Holkamp (#186)	26,385	3,254	3,765	-	-
Smith (#1)	224,337	13,701	10,558	-	-
Alvs (#2)	68,091	6,243	4,227	15,435	-
Hal (#7)	235,690	12,369	10,640	-	-
Phillips (#10)	97,808	9,189	8,816	-	-
Woolsey (#100)	238,078	9,597	10,196	15,097	-
Lloyd (#111)	366,678	55,838	36,279	-	-
Lafloon (#122)	64,799	14,261	8,896	-	103,144
Holkamp (#133)	52,405	16,221	9,359	-	-
Wolfel (#135)	629,425	95,309	50,738	-	-
Broughton (#200)	265,415	-	39,246	1,000	-
Doelen (#401)	534,653	27,193	26,791	-	-
Hurres (#501)	226,086	24,781	21,195	-	107,311
Hughes (#600)	162,619	-	30,338	-	-
Lafloon (#700)	24,514	-	3,851	-	-
McClay (#1)	68,975	-	3,167	-	-
Hurd (#10)	418,846	14,704	22,900	-	-
Becmeyer (#11)	28,879	6,328	3,987	-	-
Deering (#15)	127,228	11,505	6,247	-	-
Bierman (#29)	57,488	4,075	3,744	-	-
Sneed (#49)	161,858	20,777	18,848	-	170,533
Bruiggemann (#99)	374,429	-	19,537	1,000	-
Career and Tech Ed Sys	-	-	-	-	-
Hazel Hopkins	-	-	-	-	-
IL Funds Interest	-	-	-	-	-
Totals	<u>\$ 6,226,946</u>	<u>\$ 515,205</u>	<u>\$ 551,052</u>	<u>\$ 32,532</u>	<u>\$ 1,156,523</u>

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES  
DISTRIBUTIVE FUND  
FOR THE YEAR ENDED JUNE 30, 2007

TREASURER	Title Programs	Technology Enhancing Ed	Other Federal Program	Art/Foreign Language	Special Programs	TOTALS
Peretz (#1)	\$ 228,320	\$ 2,195	\$ -	\$ -	\$ -	\$ 5,329,334
Baird (#3)	143,537	926	-	-	-	5,531,707
Nettemeier (#12)	102,266	673	-	-	-	2,252,547
Kohlbrecher (#14/15)	62,806	543	-	-	-	839,973
Kuper (#21)	7,099	-	-	-	-	1,326,748
Holtkamp (#46)	48,297	-	-	-	-	1,078,718
Toe nies (#57)	16,670	46	-	-	-	771,248
Beckmann (#60)	23,338	-	-	-	-	1,272,704
Arntsen (#62)	9,045	-	-	-	-	490,664
Deinneke (#63)	25,633	-	-	-	-	703,374
Kampwerth (#71)	60,665	318	-	-	-	1,876,220
Holtkamp (#186)	61,015	-	-	-	-	721,137
Smith (#1)	78,236	585	-	20,000	-	1,597,778
Alv's (#2)	26,817	285	-	-	-	628,846
Hal (#7)	49,468	1,108	-	-	-	1,655,928
Phillips (#10)	45,900	239	-	-	-	1,145,124
Woolsey (#100)	70,444	-	-	-	-	1,166,732
Lloyd (#111)	373,056	3,047	11,000	-	-	5,259,053
Lafloon (#122)	99,665	97	-	-	-	1,564,351
Holtkamp (#133)	103,415	892	-	-	-	1,504,403
Wolfel (#135)	883,790	5,939	-	-	-	8,956,897
Broughton (#200)	315,024	343,986	-	-	-	5,433,638
Doelen (#401)	248,490	2,955	-	-	-	3,731,134
Humes (#501)	284,596	1,720	-	-	-	3,697,422
Hughes (#600)	157,623	148,260	1,000	20,000	-	3,705,537
Lafloon (#700)	7,256	122	-	-	-	517,763
McClay (#1)	2,513	-	-	-	-	393,986
Hurd (#10)	50,820	303	-	-	-	2,666,049
Beckmeyer (#11)	63,506	315	-	-	-	554,950
Deering (#15)	76,678	711	-	-	-	880,143
Bierman (#29)	8,212	-	-	-	-	412,286
Sned (#49)	88,860	1,130	-	-	-	1,558,733
Brunsgemann (#99)	90,406	325	-	-	-	2,328,835
Career and Tech Ed Sys	-	-	-	-	-	530,922
Hazel Hopkins	-	-	-	-	-	1,139,661
IL Funds Interest	-	-	-	-	54,193	54,193
Totals	\$ 3,913,466	\$ 516,720	\$ 12,000	\$ 40,000	\$ 54,193	\$ 73,278,738

CLINTON, MARION AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Project # (1st eight digits) or Contract #	Federal Expenditures 7/1/06 - 6/30/07
<b>U.S. Dept. of Education Passed through Illinois State Board of Education:</b>			
Other Federal Programs	84.365A	07-4999-PD	\$ 2,427
Title I Reading First Part B SEA	84.357A	06-4337-02	11,293
<b>Total U.S. Dept of Education Passed through Illinois State Board of Education</b>			<u>13,720</u>
<b>U.S. Dept. of Education Passed through St. Clair County Regional Office of Education #50:</b>			
Title I School Improvement System of Support	84.010A	07-4331-SS	40,266
<b>Total U.S. Dept. of Education Passed through St. Clair County Regional Office of Education #50</b>			<u>40,266</u>
<b>U.S. Dept. of Education Passed through Bond, Fayette, Effingham Counties Regional Office of Education # 3:</b>			
Standards Aligned Classroom	84.010A	07-4100-00	43,356
<b>Total U.S. Dept of Education Passed through Bond, Fayette, Effingham Counties Regional Office of Education #3</b>			<u>43,356</u>
<b>U.S. Dept. of Education Passed through Kaskaskia Special Education District:</b>			
IDEA - Flow Through	84.027A	07-4620-00	12,590
<b>Total U.S. Dept. of Education Passed through Kaskaskia Special Education District</b>			<u>12,590</u>
<b>U.S. Dept. of Education Passed through Irouois-Kankakee, Counties Regional Office of Education # 32:</b>			
National Board Professional Teacher Support (NBPTS)	84.367A	07-4935-SS	14,979
<b>Total U.S. Dept. of Education Passed through Irouois-Kankakee, Counties Regional Office of Education # 32</b>			<u>14,979</u>
<b>U.S. Dept of Agriculture Passed through Illinois State Board of Education:</b>			
National School Lunch Program	10.555	06-4210-00	939
National School Lunch Program	10.555	07-4210-00	8,619
<b>Total National School Lunch Program</b>			<u>9,558</u>
School Breakfast Program	10.553	06-4220-00	460
School Breakfast Program	10.553	07-4220-00	4,707
<b>Total School Breakfast Program</b>			<u>5,167</u>
<b>Total U.S. Dept of Agriculture Passed through Illinois State Board of Education</b>			<u>14,725</u>
<b>U.S. Dept of Education Passed through Illinois Department of Human Services:</b>			
Special Education Grants for Infants and Families with Disabilities	84.181	11G7749000	297,324 (M)
Early Intervention (Noncash)	84.181	11G7749000	151,037 (M)
<b>Total U.S. Dept of Education Passed through Illinois Department of Human Services</b>			<u>448,361</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 587,997</u>

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION #13  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE 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 #13 and is presented 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 on this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – SUBRECIPIENTS

NONE

NOTE 3 – DESCRIPTION OF MAJOR FEDERAL PROGRAM

Special Education/Grants for Infants and Families with Disabilities and Early Intervention: The purpose of this program is to develop and implement a Statewide, comprehensive, coordinated, multi disciplinary interagency system that provides early intervention services for infants and toddlers with disabilities and their families.

NOTE 4 - AMOUNT OF INSURANCE

NONE

NOTE 5 - LOANS OR LOAN GUARANTEES OUTSTANDING

NONE

NOTE 6 - NON-CASH ASSISTANCE

The Early Intervention non-cash funding reported on the Schedule of Expenditures of Federal Awards represent payments made by the Illinois Department of Human Services directly to service providers on behalf of residents in the counties served by the Child and Family Connections program. The Illinois Department of Human Services requires the funding to be included on the Schedule of Expenditures of Federal Awards. However, this funding does not meet the revenue recognition criteria under generally accepted accounting principles and is not included in the Regional Office of Education #13's basic financial statements.