

State of Illinois
CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
FINANCIAL AUDIT
FOR THE YEAR ENDED JUNE 30, 2008

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

CLINTON, MARION, AND WASHINGTON COUNTIES
 REGIONAL OFFICE OF EDUCATION #13
 TABLE OF CONTENTS
 JUNE 30, 2008

	<u>PAGE</u>
Officials	1
Financial Report Summary.....	2-3
Financial Statement Report Summary.....	4
Independent Auditor’s Report	5-6
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	7-8
Schedule of Findings and Questioned Costs	
Section I- Summary of Auditor’s Results	9
Section II – Financial Statement Findings.....	10a-10b
Corrective Action Plan for Current Year Audit Findings	11
Summary Schedule of Prior Audit Findings	12
Management's Discussion and Analysis.....	13a-13k
BASIC FINANCIAL STATEMENTS	
Statement of Net Assets	14
Statement of Activities	15
Balance Sheet - Governmental Funds	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.....	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Funds.....	19
Statement of Net Assets – Proprietary Fund	20
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Fund	21

Statement of Cash Flows – Proprietary Fund.....	22
Statement of Fiduciary Net Assets - Fiduciary Fund.....	23
Notes to the Financial Statements	24-44

REQUIRED SUPPLEMENTAL INFORMATION

Illinois Municipal Retirement Fund Schedule of Funding Progress.....	45
---	----

SUPPLEMENTAL INFORMATION

Combining Schedule of Accounts General Fund	46
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - General Fund Accounts	47
Budgetary Comparison Schedule General Fund ROE/ISC Operations	48
Combining Schedule of Accounts - Education Fund	49-51
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Education Fund Accounts	52-54
Budgetary Comparison Schedule Education Fund Truant Alternative/Optional Education	55
Even Start/Early Childhood Block Grant	56
Regional Safe Schools.....	57
Special Education for Infants and Families with Disabilities	58
Homeless Children and Youth	59
Combining Balance Sheet Nonmajor Special Revenue Funds	60
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	61
Statement of Changes in Assets and Liabilities Agency Fund	62
Schedule of Disbursements to School District Treasurer’s and Other Entities - Distributive Fund	63-65

OFFICIALS

REGIONAL OFFICE OF EDUCATION #13

Regional Superintendent
(Current and during the audit period)

Ms. Keri Garrett

Assistant Regional Superintendent
(Current and during the audit period)

Mr. Brian P. Guthrie

Offices are located at:

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

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

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

REGIONAL OFFICE OF EDUCATION #13

FINANCIAL REPORT SUMMARY

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

AUDITORS' REPORTS

The auditors' reports do not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	1	2
Repeated audit findings	1	0
Prior recommendations implemented or not repeated	1	3

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
-----------------	-------------	--------------------	---------------------

FINDINGS (GOVERNMENT AUDITING STANDARDS)

08-01	10a	Controls Over Financial Statement Preparation	Significant Deficiency
-------	-----	---	------------------------

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

NONE

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

07-01	12	Payroll Reporting
-------	----	-------------------

REGIONAL OFFICE OF EDUCATION #13

FINANCIAL REPORT SUMMARY (Concluded)

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on August 15, 2008. 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 AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clinton, Marion, and Washington Counties Regional Office of Education #13, as of and for the year ended June 30, 2008, 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 of 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, 2008, 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 December 30, 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 13a through 13k, and 45 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Marion, Illinois
December 30, 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, 2008, which collectively comprise the Regional Office of Education #13's basic financial statements and have issued our report thereon dated December 30, 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 deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting as item 08-01.

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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Regional Office of Education #13's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain matters which we have reported to management of the Regional Office of Education #13 in a separate letter dated December 30, 2008.

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

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

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Marion, Illinois
December 30, 2008

CLINTON, MARION AND WASHINGTON COUNTIES
 REGIONAL OFFICE OF EDUCATION #13
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2008

SECTION 1 - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
● Material weakness(es) identified?	No
● Significant deficiency(ies) identified that are not considered to be material weakness(es)?	Yes
● Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
● Material weakness(es) identified?	N/A
● Significant deficiency(ies) identified that are not considered to be material weakness(es)?	N/A
Type of auditor's report issued on compliance for major programs:	N/A
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)?	N/A

Identification of **major** programs:

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

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

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

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2008

SECTION II – FINANCIAL STATEMENT FINDINGS

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

Criteria/specific requirement:

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

Condition:

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

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

Effect:

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

Cause:

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

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

SECTION II – FINANCIAL STATEMENT FINDINGS (Concluded)

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

Auditors Recommendation:

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

Management's Response:

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

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

CLINTON, MARION AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2008

Corrective Action Plan

Finding No. 08-01 - Controls Over Financial Statement Preparation (Repeated from Finding 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's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles.
- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenues, no entries were provided to reconcile the ROE's grant activity, such as posting grant receivables and deferred revenues.

Plan:

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

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

Anticipated Date of Completion:

Not applicable.

Name of Contact Person:

Ms. Keri Garrett, Regional Superintendent

CLINTON, MARION AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2008

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
07-01	Payroll Reporting	Corrected
07-02	Controls Over Financial Statement Preparation	Repeated

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008

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, 2008. 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.

2008 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$478,981 in fiscal year 2007 to \$556,938 in fiscal year 2008, and General Fund expenditures also increased from \$542,514 in fiscal year 2007 to \$562,509 in fiscal year 2008. 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 \$55,984 in fiscal year 2007 to \$52,224 in fiscal year 2008.
- The increase in General Fund revenues was attributed primarily to an increase in State on-behalf sources of revenue in fiscal year 2008, and an increase in related expenditures. The Regional Office of Education #13 again funded a portion of the current year General Fund services from the carry over fund balance in the General Fund.
- Education Fund revenues increased from \$1,937,818 in fiscal year 2007 to \$2,183,222 in fiscal year 2008, and Education Fund expenditures increased from \$2,020,442 in fiscal year 2007 to \$2,331,846 in fiscal year 2008. Interest revenue decreased from \$67,313 in fiscal year 2007 to \$37,305 in fiscal year 2008. The result was a decrease in the Education Fund balance from \$1,106,691 in fiscal year 2007 to \$995,085 in fiscal year 2008.
- The increase in Education Fund revenues was attributed to an increase in State sources of revenue in fiscal year 2008.

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, 2008

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, 2008

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

Fund Financial Statements

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. The Regional Office of Education #13's net assets at the end of fiscal year 2008 totaled approximately \$1.51 million. This compared to approximately \$1.65 million at the end of fiscal year 2007. The analysis that follows provides a summary of the Regional Office of Education #13's net assets at June 30, 2008 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, 2008

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

CONDENSED STATEMENT OF NET ASSETS
 GOVERNMENTAL ACTIVITIES

	2008	2007	Increase / (Decrease)
Current Assets	\$ 1,334,714	\$ 1,390,198	(55,484)
Capital Assets, being depreciated, net	26,199	15,696	10,503
Total Assets	1,360,913	1,405,894	(44,981)
Current Liabilities	156,615	79,466	77,149
Net Assets:			
Invested in Capital Assets	26,199	15,696	10,503
Unrestricted	1,071,100	1,188,866	(117,766)
Restricted for teacher professional development	106,999	121,866	(14,867)
Total Net Assets	\$ 1,204,298	\$ 1,326,428	(122,130)

The Regional Office of Education #13's combined governmental net assets decreased \$122,130 from fiscal year 2007 and the current assets decreased \$55,484. Net assets related to the Institute Fund are restricted for teacher professional development.

BUSINESS-TYPE ACTIVITIES

	2008	2007	Increase / (Decrease)
Current Assets	\$ 290,280	\$ 296,940	(6,660)
Capital Assets, being depreciated, net	42,222	23,817	18,405
Total Assets	332,502	320,757	11,745
Current Liabilities	27,698	-	27,698
Net Assets:			
Invested in Capital Assets	42,222	23,817	18,405
Unrestricted	262,582	296,940	(34,358)
Total Net Assets	\$ 304,804	\$ 320,757	(15,953)

The Regional Office of Education #13's business-type activities net assets decreased \$15,953 from fiscal year 2007 and the current assets decreased \$6,660.

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

STATEMENT OF ACTIVITIES

GOVERNMENTAL ACTIVITIES

	2008	2007	Increase / (Decrease)
Revenues:			
Program Revenues:			
Operating grants and contributions	\$ 1,890,629	\$ 1,726,469	164,160
General revenues:			
Local sources	321,982	253,666	68,316
State sources	117,062	92,434	24,628
On-behalf payments - State & Local	445,155	388,413	56,742
Interest income	67,674	130,464	(62,790)
	<u>2,842,502</u>	<u>2,591,446</u>	
Total Revenues			251,056
 Expenses:			
Instructional Services			
Salaries and benefits	1,873,308	1,648,309	224,999
Purchased Services	433,664	397,728	35,936
Supplies and materials	142,022	102,743	39,279
Payments to Other Governments	-	2,323	(2,323)
Other objects	33,469	65,623	(32,154)
Depreciation expense	13,497	14,701	(1,204)
Administrative Expense:			
On-behalf payments - State & Local	445,155	388,413	56,742
	<u>2,941,115</u>	<u>2,619,840</u>	
Total Expenses			321,275
 Change in Net Assets	(98,613)	(28,394)	(70,219)
 Net Assets - Beginning	<u>1,302,911</u>	<u>1,354,822</u>	(51,911)
 Net Assets - Ending	<u>\$ 1,204,298</u>	<u>\$ 1,326,428</u>	(122,130)

CLINTON, MARION, AND WASHINGTON COUNTIES
 REGIONAL OFFICE OF EDUCATION #13
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2008

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concluded)

Operating grants and contributions increased approximately \$164,160 from fiscal year 2007 to 2008. The funding for several major grants (Pre-K, Truant Alternative, Safe School) was delayed, causing the ROE to fund these programs from surplus funds, and resulting in less interest revenue.

STATEMENT OF ACTIVITIES

BUSINESS-TYPE ACTIVITIES

	<u>2008</u>	<u>2007</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 139,021	\$ 128,032	10,989
General Revenue:			
Interest income	<u>10,148</u>	<u>17,970</u>	(7,822)
Total Revenues	<u>149,169</u>	<u>146,002</u>	3,167
Expenses:			
Salaries and benefits	110,325	82,217	28,108
Purchased Services	25,940	7,868	18,072
Supplies and materials	16,171	63,585	(47,414)
Other objects	353	740	(387)
Depreciation	<u>12,333</u>	<u>7,243</u>	5,090
Total Expenses	<u>165,122</u>	<u>161,653</u>	3,469
Change in Net Assets	(15,953)	(15,651)	(302)
Net Assets - Beginning	<u>320,757</u>	<u>336,408</u>	(15,651)
Net Assets - Ending	<u>\$ 304,804</u>	<u>\$ 320,757</u>	(15,953)

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

FINANCIAL ANALYSIS OF THE REGIONAL OFFICE OF EDUCATION FUNDS

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

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008

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

The Regional Office of Education #13's governmental fund reported combined fund balances of \$1,178,099 compared with fiscal year 2007's ending fund balances of \$1,310,732. The Regional Office of Education #13 received less interest income in fiscal year 2008 than fiscal year 2007; funds received from State revenue sources increased. Other funds have also decreased or stayed constant. The constant funds do not take into account inflation, which results in a further decrease in fund balance. No reductions in responsibilities have occurred, rather they have increased.

Governmental Fund Highlights

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

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

The Regional Office of Education #13 continues to offer technical assistance and professional development activities to teachers across the complete curriculum area. We have 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 260 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 40 students each year and works with approximately 250 students to ameliorate their truancy problems. We operate a Safe School that serves approximately 50 students each year with an individually based educational program. The Safe School students are students who have been referred because of serious behavior problems within the sending school. We also offer teacher certificate assistance, and help teachers completing re-certification requirements and acquiring additional certificate endorsements. There are a variety of other regulatory programs that are statute based that require inspection of the schools for nearly all areas, as well as inspections for building safety. A General Education Diploma is offered through our cooperative effort with Kaskaskia College, which includes testing to meet high school equivalency. We are responsible for professional development activities to maintain certification by our school administrators through the administrator academy. In summary, we also have a variety of smaller programs that would be classified as consultative services directly to the schools.

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

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008

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

Proprietary Fund Highlights

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

FIDUCIARY FUND TYPE

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

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

MEASUREMENT FOCUS

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

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

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008

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 \$125,810.

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, 2008 the Regional Office of Education #13 had an investment in capital assets of \$68,421, which is the original cost of the assets less the accumulated depreciation.

During fiscal year 2008 the Regional Office of Education #13 made purchases costing \$24,000 in governmental activities and \$30,738 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, 2008

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

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

ADDITIONAL INFORMATION

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

The Management's Discussion and Analysis for the year ended June 30, 2008 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, 2008

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,245,681	\$ 266,159	\$ 1,511,840
Prepaid assets	-	5,676	5,676
Due from other governments:			
Local	16,805	18,445	35,250
State	65,241	-	65,241
Federal	6,987	-	6,987
Total Current Assets	<u>1,334,714</u>	<u>290,280</u>	<u>1,624,994</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	26,199	42,222	68,421
TOTAL ASSETS	<u>1,360,913</u>	<u>332,502</u>	<u>1,693,415</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	129,366	27,698	157,064
Due to other governments:			
Federal	18,445	-	18,445
Deferred revenue	8,804	-	8,804
TOTAL LIABILITIES	<u>156,615</u>	<u>27,698</u>	<u>184,313</u>
NET ASSETS			
Invested in capital assets	26,199	42,222	68,421
Restricted for teacher professional development	106,999	-	106,999
Unrestricted	1,071,100	262,582	1,333,682
TOTAL NET ASSETS	<u>\$ 1,204,298</u>	<u>\$ 304,804</u>	<u>\$ 1,509,102</u>

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

CLINTON, MARION, AND WASHINGTON COUNTIES
 REGIONAL OFFICE OF EDUCATION #13
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2008

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:						
Instructional services:						
Salaries and benefits	\$ 1,873,308	\$ -	\$ 1,497,805	\$ (375,503)	\$ -	\$ (375,503)
Purchased services	433,664	-	268,711	(164,953)	-	(164,953)
Supplies and materials	142,022	-	100,113	(41,909)	-	(41,909)
Other objects	33,469	-	-	(33,469)	-	(33,469)
Depreciation	13,497	-	-	(13,497)	-	(13,497)
Capital outlay	-	-	24,000	24,000	-	24,000
Payments to other governments	-	-	-	-	-	-
Administrative:						
On-behalf payments - Local	125,810	-	-	(125,810)	-	(125,810)
On-behalf payments - State	319,345	-	-	(319,345)	-	(319,345)
Total governmental activities	2,941,115	-	1,890,629	(1,050,486)	-	(1,050,486)
Business-type activities:						
Operating	165,122	139,021	-	-	(26,101)	(26,101)
Total business-type activities	165,122	139,021	-	-	(26,101)	(26,101)
TOTAL PRIMARY GOVERNMENT	\$ 3,106,237	\$ 139,021	\$ 1,890,629	(1,050,486)	(26,101)	(1,076,587)
GENERAL REVENUES						
Local sources				321,982	-	321,982
State sources				117,062	-	117,062
On-behalf payments - State				319,345	-	319,345
On-behalf payments - Local				125,810	-	125,810
Interest income				67,674	10,148	77,822
Total general revenues				951,873	10,148	962,021
CHANGE IN NET ASSETS				(98,613)	(15,953)	(114,566)
NET ASSETS - BEGINNING (RESTATED)				1,302,911	320,757	1,623,668
NET ASSETS - ENDING				\$ 1,204,298	\$ 304,804	\$ 1,509,102

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, 2008

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 38,724	\$ 1,061,893	\$ 145,064	\$ -	\$ 1,245,681
Due from other funds	-	6,987	-	(6,987)	-
Due from other governments:					
Local	13,500	3,305	-	-	16,805
State	-	65,241	-	-	65,241
Federal	-	6,987	-	-	6,987
TOTAL ASSETS	<u>\$ 52,224</u>	<u>\$ 1,144,413</u>	<u>\$ 145,064</u>	<u>\$ (6,987)</u>	<u>\$ 1,334,714</u>
LIABILITIES					
Accounts payable	\$ -	\$ 115,092	\$ 14,274	\$ -	\$ 129,366
Due to other funds	-	6,987	-	(6,987)	-
Due to other governments:					
Federal	-	18,445	-	-	18,445
Deferred revenue	-	8,804	-	-	8,804
Total Liabilities	<u>-</u>	<u>149,328</u>	<u>14,274</u>	<u>(6,987)</u>	<u>156,615</u>
FUND BALANCES					
Unreserved, reported in:					
General fund	52,224	-	-	-	52,224
Special revenue fund	-	995,085	130,790	-	1,125,875
Total Fund Balances	<u>52,224</u>	<u>995,085</u>	<u>130,790</u>	<u>-</u>	<u>1,178,099</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 52,224</u>	<u>\$ 1,144,413</u>	<u>\$ 145,064</u>	<u>\$ (6,987)</u>	<u>\$ 1,334,714</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 GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS	\$ 1,178,099
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	<u>26,199</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,204,298</u>

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

CLINTON, MARION, AND WASHINGTON COUNTIES
 REGIONAL OFFICE OF EDUCATION #13
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
REVENUE					
Local sources	\$ 31,643	\$ 259,391	\$ 30,948	\$ -	\$ 321,982
Local sources - payments made on behalf of region	125,810	-	-	-	125,810
State sources	80,140	1,759,002	3,720	-	1,842,862
State sources - payments made on behalf of region	319,345	-	-	-	319,345
Federal sources	-	164,829	-	-	164,829
Total Revenues	<u>556,938</u>	<u>2,183,222</u>	<u>34,668</u>	<u>-</u>	<u>2,774,828</u>
EXPENDITURES					
Instructional Services:					
Salaries and benefits	67,583	1,802,274	3,451	-	1,873,308
Purchased services	11,016	391,542	31,106	-	433,664
Supplies and materials	10,555	126,801	4,666	-	142,022
Other objects	28,200	4,543	726	-	33,469
On-behalf payments	445,155	-	-	-	445,155
Capital outlay	-	6,686	17,314	-	24,000
Total Expenditures	<u>562,509</u>	<u>2,331,846</u>	<u>57,263</u>	<u>-</u>	<u>2,951,618</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5,571)</u>	<u>(148,624)</u>	<u>(22,595)</u>	<u>-</u>	<u>(176,790)</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	287	-	-	(287)	-
Transfer out	-	(287)	-	287	-
Interest	25,041	37,305	5,328	-	67,674
Total Other Financing Sources and Uses	<u>25,328</u>	<u>37,018</u>	<u>5,328</u>	<u>-</u>	<u>67,674</u>
NET CHANGE IN FUND BALANCES	19,757	(111,606)	(17,267)	-	(109,116)
FUND BALANCES - BEGINNING (RESTATED)	<u>32,467</u>	<u>1,106,691</u>	<u>148,057</u>	<u>-</u>	<u>1,287,215</u>
FUND BALANCES - ENDING	<u>\$ 52,224</u>	<u>\$ 995,085</u>	<u>\$ 130,790</u>	<u>\$ -</u>	<u>\$ 1,178,099</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, 2008

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ (109,116)

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	\$ 24,000	
Depreciation expense	<u>(13,497)</u>	<u>10,503</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (98,613)

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

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008

	Business-Type Activities - Enterprise Funds		
	Technology / Testing Cooperative	Film Cooperative	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 227,609	\$ 38,550	\$ 266,159
Prepaid assets	5,676	-	5,676
Due from local governments	18,445	-	18,445
Total current assets	<u>251,730</u>	<u>38,550</u>	<u>290,280</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation:	42,222	-	42,222
Total noncurrent assets	<u>42,222</u>	<u>-</u>	<u>42,222</u>
TOTAL ASSETS	<u>293,952</u>	<u>38,550</u>	<u>332,502</u>
LIABILITIES			
Accounts payable	27,698	-	27,698
TOTAL LIABILITIES	<u>27,698</u>	<u>-</u>	<u>27,698</u>
NET ASSETS			
Invested in capital assets	42,222	-	42,222
Unrestricted	224,032	38,550	262,582
TOTAL NET ASSETS	<u>\$ 266,254</u>	<u>\$ 38,550</u>	<u>\$ 304,804</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, 2008

	Business-Type Activities - Enterprise Funds		
	Technology / Testing Cooperative	Film Cooperative	Total
OPERATING REVENUES			
Local sources	\$ 136,067	\$ 2,954	\$ 139,021
Total operating revenues	<u>136,067</u>	<u>2,954</u>	<u>139,021</u>
OPERATING EXPENSES			
Salaries and benefits	98,965	11,360	110,325
Purchased services	25,940	-	25,940
Supplies and materials	16,171	-	16,171
Other objects	-	353	353
Depreciation	12,333	-	12,333
Total operating expenses	<u>153,409</u>	<u>11,713</u>	<u>165,122</u>
OPERATING INCOME (LOSS)	<u>(17,342)</u>	<u>(8,759)</u>	<u>(26,101)</u>
NONOPERATING REVENUES			
Interest	8,558	1,590	10,148
Total nonoperating revenues	<u>8,558</u>	<u>1,590</u>	<u>10,148</u>
CHANGE IN NET ASSETS	(8,784)	(7,169)	(15,953)
TOTAL NET ASSETS - BEGINNING	<u>275,038</u>	<u>45,719</u>	<u>320,757</u>
TOTAL NET ASSETS - ENDING	<u>\$ 266,254</u>	<u>\$ 38,550</u>	<u>\$ 304,804</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, 2008

	Business-Type Activities - Enterprise Funds		
	Technology / Testing Cooperative	Film Cooperative	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 117,622	\$ 2,954	\$ 120,576
Payments to suppliers and providers of goods and services	(14,306)	(353)	(14,659)
Payments to employees	(98,965)	(11,360)	(110,325)
Net cash provided by (used for) operating activities	<u>4,351</u>	<u>(8,759)</u>	<u>(4,408)</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(30,738)	-	(30,738)
Net cash provided by (used for) capital and financing activities	<u>(30,738)</u>	<u>-</u>	<u>(30,738)</u>
Cash flows from investing activities:			
Interest	8,558	1,590	10,148
Net cash provided by (used for) investing activities	<u>8,558</u>	<u>1,590</u>	<u>10,148</u>
Net increase (decrease) in cash	(17,829)	(7,169)	(24,998)
Cash - beginning	<u>245,438</u>	<u>45,719</u>	<u>291,157</u>
Cash - ending	<u>\$ 227,609</u>	<u>\$ 38,550</u>	<u>\$ 266,159</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (17,342)	\$ (8,759)	\$ (26,101)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	12,333	-	12,333
Change in assets and liabilities:			
(Increase) in due from other governments	(18,445)	-	(18,445)
Decrease in prepaid assets	107	-	107
Increase in accounts payable	27,698	-	27,698
Net cash provided by (used for) operating activities	<u>\$ 4,351</u>	<u>\$ (8,759)</u>	<u>\$ (4,408)</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, 2008

	<u>Agency Fund</u>
ASSETS	
Cash	\$ 39
Due from other governments	<u>4,399,961</u>
Total Assets	<u><u>\$ 4,400,000</u></u>
 LIABILITIES	
Due to other governments	<u>\$ 4,400,000</u>
Total Liabilities	<u><u>\$ 4,400,000</u></u>

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

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

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 2008, the Regional Office of Education #13 implemented Governmental Accounting Standards Board (GASB) Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, and GASB Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*. The Regional Office of Education #13 implemented these standards during the current year, however; GASB Statement No. 48 had 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, 2008

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, 2008, the Regional Office of Education #13 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #13. Such activities are reported as a single major special revenue fund (Education Fund).

B. SCOPE OF THE REPORTING ENTITY

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

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

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

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

D. GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Under the terms of grant agreements, Clinton, Marion, and Washington Counties Regional Office of Education #13 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is Clinton, Marion, and Washington Counties Regional Office of Education #13's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

G. FUND ACCOUNTING

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

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS

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

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

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

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

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

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

Major Special Revenue 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:

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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

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

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

Title I - Reading First Part B SEA Funds - This fund provides comprehensive reading program training to teachers in order to facilitate student achievement in reading.

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.

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.

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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

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

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

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

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

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

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

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

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

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

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

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, 2008

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, 2008

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 and Department of Human Services; however none of the annual budgets have been legally adopted nor are they required to do so. The General Fund and certain programs within the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results are presented as supplemental information. Budget information has been provided in supplementary schedules for the following funds: ROE/ISC Operations, Truant Alternative/ Optional Education, Even Start/Early Childhood Block Grant, Regional Safe Schools, Special Education for Infants and Families with Disabilities, and Homeless Children and Youth.

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, 2008, the carrying amount of the Regional Office of Education #13's government-wide and agency fund deposits were \$1,511,840 and \$39, respectively, and the bank balances were \$1,594,061 and \$22,446, respectively. Of the total bank balances as of June 30, 2008, \$135,129 was secured by federal depository insurance and \$1,458,932 was collateralized by securities pledged by the Regional Office of Education #13's financial institution in the Regional Office's name.

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 2 – CASH AND CASH EQUIVALENTS (Concluded)

B. INVESTMENTS

The Regional Office of Education #13 does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2008, the Regional Office of Education #13 had investments with carrying and fair value of \$22,446 invested in the Illinois Funds Money Market Fund.

CREDIT RISK

At June 30, 2008, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the 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

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

CLINTON, MARION, AND WASHINGTON COUNTIES
 REGIONAL OFFICE OF EDUCATION #13
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2008

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Continued)

Funding Policy. As set by statute, the Regional Office of Education #13's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2007 was 10.72 percent of annual covered payroll. The Regional Office of Education #13 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2007, the Regional Office of Education #13's annual pension cost of \$92,091 for the Regular plan was equal to the Regional Office of Education #13's required and actual contributions.

THREE YEAR TREND INFORMATION

Actuarial Valuation <u>Date</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contribution</u>	Net Pension <u>Obligation</u>
12/31/07	92,091	100%	\$0
12/31/06	100,270	100%	0
12/31/05	97,563	100%	0

The required contribution was determined as part of the December 31, 2005, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2005, included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Regional Office of Education #13's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 5 years.

Funded Status and Funding Progress. As of December 31, 2007, the most recent actuarial valuation date, the Regular plan was 93.39 percent funded. The actuarial accrued liability for benefits was \$1,597,839 and the actuarial value of assets was \$1,492,198, resulting in an underfunded actuarial accrued liability (UAAL) of \$105,641. The covered payroll (annual payroll of active employees covered by the plan) was \$859,054 and the ratio of the UAAL to the covered payroll was 12 percent.

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Concluded)

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

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

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

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate through June 30, 2008 was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2007 and 2006. In addition, virtually all members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The employer THIS Fund contribution was 0.63 percent during the year ended June 30, 2008, and the member THIS Fund health insurance contribution was 0.84 percent.

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

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #13. For the year ended June 30, 2008, State of Illinois contributions were based on 13.11 percent of creditable earnings, not paid from federal funds, and the Regional Office of Education #13 recognized revenue and expenditures of \$94,587 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2007, and June 30, 2006, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 9.78 percent (\$68,961) and 7.06 percent (\$46,760), respectively.

The state contributions to TRS for the year ended June 30, 2008 were based on an actuarial formula. The state contributions for the years ended June 30, 2007 and June 30, 2006 were based on dollar amounts specified by the statute and were not actuarially determined.

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

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

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

- **2.2 formula contributions.** Employers contribute .58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2008 were \$4,185. Contributions for the years ending June 30, 2007, and June 30, 2006, were \$4,090 and \$3,841, respectively.

- **Federal and special trust fund contributions.** When TRS members are paid from federal and trust funds administered by the Regional Office of Education #13, there is a statutory requirement for the Regional Office of Education #13 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in fiscal year ended June 30, 2006 employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. For the year ended June 30, 2008, the employer pension contribution was 13.11 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2007 and 2006, the employer contribution was 9.78 and 7.06 percent of salaries paid from those funds, respectively. For the year ended June 30, 2008, salaries totaling \$94,582 were paid from federal and special trust funds that required employer contributions of \$12,400. For the years ended June 30, 2007, and June 30 2006, required Regional Office of Education #13 contributions were \$10,795 and \$5,689, respectively.

- **Early Retirement Option.** The Regional Office of Education #13 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires. Under Public Act 94-0004, a "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies for the Pipeline ERO). Under the Pipeline ERO, the maximum employer contribution was 100 percent of the member's highest salary used in the final average salary calculation. Under the Modified ERO, the maximum employer contribution is 117.5 percent.

Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement. For the year ended June 30, 2008, the Regional Office of Education #13 paid no TRS for employer contributions under the ERO program. For the years ended June 30, 2007 and June 30, 2006, 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, 2008

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, 2008, 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, 2007 and 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 (17.62 percent of salary during the year ended June 30, 2008.)

For the year ended June 30, 2008, 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, 2007 and June 30, 2006, the Regional Office of Education #13 paid no employer contributions granted for sick leave days.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for year ended June 30, 2007. The report for the year ended June 30, 2008, is expected to be available in late 2008. 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.

CLINTON, MARION, AND WASHINGTON COUNTIES
 REGIONAL OFFICE OF EDUCATION #13
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2008

NOTE 5 - INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2008 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> Alternative Education Project	<u>Education Fund</u> Regional System of Support Provider	\$ 6,987

TRANSFERS

Interfund transfers in/out of other fund balances at June 30, 2008 consist of the following individual transfers in/out of other funds in the governmental fund balance sheet. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
<u>General Fund</u> ROE/ISC Operations	<u>Education Fund</u> Conference	\$ 287

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, 2008 of \$13,497 and \$12,333 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, 2008

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, 2008:

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
Governmental Activities:				
<u>General Fund</u>				
ROE Operations	\$ 29,064	\$ -	\$ 7,195	\$ 21,869
School Development and Improvement	56,610	-	-	56,610
Special Projects	2,247	-	-	2,247
<u>Education Fund</u>				
Truants Alternative/Optional Education	18,891	-	14,041	4,850
Title I - Reading First Part B SEA Funds	5,608	-	-	5,608
Regional Safe Schools	13,261	-	-	13,261
Special Education for Infants and Families with Disabilities	36,621	-	-	36,621
Alternative Education Project	2,988	2,420	-	5,408
Safe School Tuition	7,052	4,266	-	11,318
Safe School Projects	26,080	-	-	26,080
Scientific Literacy	3,218	-	-	3,218
<u>Nonmajor Fund</u>				
Institute	-	14,274	-	14,274
General Education Development	5,466	3,040	97	8,409
Governmental Funds Total Assets	207,106	24,000	21,333	209,773
Less: Accumulated Depreciation	191,410	13,497	21,333	183,574
Governmental Funds				
Investment in Capital Assets, Net	<u>\$ 15,696</u>	<u>\$ 10,503</u>	<u>\$ -</u>	<u>\$ 26,199</u>

CLINTON, MARION, AND WASHINGTON COUNTIES
 REGIONAL OFFICE OF EDUCATION #13
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2008

NOTE 6 - CAPITAL ASSETS ACTIVITY (Concluded)

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
Business-type Activities:				
Technology/Testing Cooperative	\$ 38,825	\$ 30,738	\$ -	\$ 69,563
Business-type Activities				
Total Capital Assets	38,825	30,738	-	69,563
Less: Accumulated Depreciation	<u>15,008</u>	<u>12,333</u>	<u>-</u>	<u>27,341</u>
Business-type Activities				
Investment in Capital Assets, Net	<u>\$ 23,817</u>	<u>\$ 18,405</u>	<u>\$ -</u>	<u>\$ 42,222</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, 2008, were as follows:

Salaries and benefits	\$ 100,732
Purchased services	17,836
Supplies and materials	<u>7,242</u>
 Total	 <u>\$ 125,810</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, 2008

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	\$ 101,219
Regional Superintendent Fringe Benefit (Includes State paid insurance)	20,896
Assistant Regional Superintendent Salary	90,801
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	11,842
TRS Pension contribution	<u>94,587</u>
 Total	 <u>\$ 319,345</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:

Fiduciary Fund

Illinois State Board of Education \$4,399,961

Education Fund

Illinois State Board of Education 72,228

Local School Districts 16,805

Proprietary Fund

Local School Districts 18,445

Total \$4,507,439

Due To Other Governments:

Fiduciary Fund

Local School Districts \$4,400,000

Education Fund

Illinois State Board of Education 48

Department of Human Services 18,397

Total \$4,418,445

REQUIRED SUPPLEMENTAL INFORMATION
(Other than Management Discussion and Analysis)

CLINTON, MARION, AND WASHINGTON COUNTIES
 REGIONAL OFFICE OF EDUCATION #13
 ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF FUNDING PROGRESS
 (UNAUDITED)
 June 30, 2008

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Unfunded Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/07	1,492,198	1,597,839	105,641	93.39%	859,054	12.30%
12/31/06	1,264,843	1,348,852	84,009	93.77%	807,976	10.40%
12/31/05	1,059,724	1,164,174	104,450	91.03%	774,312	13.49%

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$1,568,927.

On a market basis, the funded ratio would be 98.19%

*** Digest of changes**

The actuarial assumptions used to determine the actuarial accrued liability for 2007 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.

SUPPLEMENTAL INFORMATION

CLINTON, MARION, AND WASHINGTON COUNTIES
 REGIONAL OFFICE OF EDUCATION #13
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2008

	ROE/ISC Operations	Special Projects	TOTALS
ASSETS			
Cash and cash equivalents	\$ -	\$ 38,724	\$ 38,724
Due from local governments	-	13,500	13,500
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 52,224</u>	<u>\$ 52,224</u>
FUND BALANCES			
Unreserved	\$ -	\$ 52,224	\$ 52,224
Total Fund Balances	-	52,224	52,224
TOTAL FUND BALANCE	<u>\$ -</u>	<u>\$ 52,224</u>	<u>\$ 52,224</u>

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, 2008

	ROE/ISC Operations	Special Projects	TOTALS
REVENUES			
Local sources	\$ -	\$ 31,643	\$ 31,643
Local sources - payments made on behalf of region	-	125,810	125,810
State sources	80,140	-	80,140
State sources - payments made on behalf of region	-	319,345	319,345
Total Revenues	<u>80,140</u>	<u>476,798</u>	<u>556,938</u>
EXPENDITURES			
Current:			
Salaries and benefits	67,583	-	67,583
Purchased services	5,773	5,243	11,016
Supplies and materials	7,071	3,484	10,555
Other objects	-	28,200	28,200
On-behalf payments	-	445,155	445,155
Total Expenditures	<u>80,427</u>	<u>482,082</u>	<u>562,509</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(287)</u>	<u>(5,284)</u>	<u>(5,571)</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	287	-	287
Interest	-	25,041	25,041
Total other financing sources (uses)	<u>287</u>	<u>25,041</u>	<u>25,328</u>
NET CHANGE IN FUND BALANCES	-	19,757	19,757
FUND BALANCES - BEGINNING, RESTATED	<u>-</u>	<u>32,467</u>	<u>32,467</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 52,224</u>	<u>\$ 52,224</u>

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2007 to June 30, 2008)
GENERAL FUND ACCOUNTS
ROE/ISC OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 78,108	\$ 80,140	\$ 80,140
Total Revenues	<u>78,108</u>	<u>80,140</u>	<u>80,140</u>
EXPENDITURES			
Current:			
Salaries and benefits	73,000	68,220	67,583
Purchased services	3,108	5,109	5,773
Supplies and materials	2,000	6,811	7,071
Total Expenditures	<u>78,108</u>	<u>80,140</u>	<u>80,427</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>(287)</u>
OTHER FINANCING SOURCES (USES):			
Transfer in	-	-	287
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>287</u>
NET CHANGE IN FUND BALANCES			
	-	-	-
FUND BALANCES - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLINTON, MARION, AND WASHINGTON COUNTIES
 REGIONAL OFFICE OF EDUCATION #13
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2008

	Administrator's Academy	Truant Alternative/Optional Education	Even Start/ Early Childhood Block Grant	Title I Reading First Part B SEA Funds	Title II Teacher Quality
ASSETS					
Cash and cash equivalents	\$ 6,798	\$ 112,544	\$ 57,118	\$ -	\$ 108,202
Due from other funds	-	-	-	-	-
Due from other governments					
Local	-	-	-	-	-
State	-	-	56,571	-	-
Federal	-	-	-	-	-
TOTAL ASSETS	\$ 6,798	\$ 112,544	\$ 113,689	\$ -	\$ 108,202
LIABILITIES					
Accounts payable	\$ -	\$ 18,696	\$ 68,583	\$ -	\$ -
Due to other funds	-	-	-	-	-
Due to other governments:					
Federal	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total Liabilities	-	18,696	68,583	-	-
FUND BALANCES					
Unreserved	6,798	93,848	45,106	-	108,202
Total Fund Balances	6,798	93,848	45,106	-	108,202
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,798	\$ 112,544	\$ 113,689	\$ -	\$ 108,202

CLINTON, MARION, AND WASHINGTON COUNTIES
 REGIONAL OFFICE OF EDUCATION #13
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2008

	Regional Safe Schools	Standards Aligned Classroom	Conference	Staff Development	Special Education for Infants and Families with Disabilities	NBPTS
ASSETS						
Cash and cash equivalents	\$ 7,480	\$ 2,832	\$ 7,020	\$ 22,223	\$ 25,220	\$ 2,314
Due from other funds	-	-	-	-	-	-
Due from other governments						
Local	-	-	-	-	-	-
State	8,670	-	-	-	-	-
Federal	-	-	-	-	-	-
TOTAL ASSETS	\$ 16,150	\$ 2,832	\$ 7,020	\$ 22,223	\$ 25,220	\$ 2,314
LIABILITIES						
Accounts payable	\$ 16,150	\$ -	\$ -	\$ -	\$ 6,823	\$ -
Due to other funds	-	-	-	-	-	-
Due to other governments:						
Federal	-	48	-	-	18,397	-
Deferred revenue	-	2,784	-	-	-	2,314
Total Liabilities	16,150	2,832	-	-	25,220	2,314
FUND BALANCES						
Unreserved	-	-	7,020	22,223	-	-
Total Fund Balances	-	-	7,020	22,223	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 16,150	\$ 2,832	\$ 7,020	\$ 22,223	\$ 25,220	\$ 2,314

CLINTON, MARION, AND WASHINGTON COUNTIES
 REGIONAL OFFICE OF EDUCATION #13
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2008

	Homeless Children/Youth	Regional System of			Safe School Tuition	Safe School Projects	Total
		Support Provider	Alternative Education Project				
ASSETS							
Cash and cash equivalents	\$ 3,706	\$ -	\$ 415,470	\$ 87,470	\$ 203,496	\$ 1,061,893	
Due from other funds	-	-	6,987	-	-	6,987	
Due from other governments							
Local	-	-	-	3,305	-	3,305	
State	-	-	-	-	-	65,241	
Federal	-	6,987	-	-	-	6,987	
TOTAL ASSETS	\$ 3,706	\$ 6,987	\$ 422,457	\$ 90,775	\$ 203,496	\$ 1,144,413	
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 2,420	\$ 2,420	\$ -	\$ 115,092	
Due to other funds	-	6,987	-	-	-	6,987	
Due to other governments:							
Federal	-	-	-	-	-	18,445	
Deferred revenue	3,706	-	-	-	-	8,804	
Total Liabilities	3,706	6,987	2,420	2,420	-	149,328	
FUND BALANCES							
Unreserved	-	-	420,037	88,355	203,496	995,085	
Total Fund Balances	-	-	420,037	88,355	203,496	995,085	
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,706	\$ 6,987	\$ 422,457	\$ 90,775	\$ 203,496	\$ 1,144,413	

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, 2008

	Administrator's Academy	Truant		Even Start/ Early Childhood Block Grant	Title I Reading First Part B SEA Funds	Title II Teacher Quality
		Alternative/Optional Education	Education			
REVENUES						
Local sources	\$ 7,585	\$ 492	\$ 9,024	\$ -	\$ -	\$ 60,725
State sources	-	176,385	602,115	-	-	-
Federal sources	-	14,372	-	-	-	-
Total Revenue	7,585	191,249	611,139	-	-	60,725
EXPENDITURES						
Current:						
Salaries and benefits	-	148,566	565,731	-	-	-
Purchased services	6,410	27,170	39,829	-	-	89,779
Supplies and materials	717	6,772	18,147	-	-	1,600
Other objects	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Expenditures	7,127	182,508	623,707	-	-	91,379
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	458	8,741	(12,568)	-	-	(30,654)
OTHER FINANCING SOURCES (USES)						
Transfer out	-	-	-	-	-	-
Interest	215	2,602	1,873	-	-	4,819
Total Other Financing Sources (Uses)	215	2,602	1,873	-	-	4,819
NET CHANGE IN FUND BALANCES	673	11,343	(10,695)	-	-	(25,835)
FUND BALANCES - BEGINNING	6,125	82,505	55,801	-	-	134,037
FUND BALANCES - ENDING	\$ 6,798	\$ 93,848	\$ 45,106	\$ -	\$ -	\$ 108,202

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, 2008

	Regional Safe Schools	Standards Aligned Classroom	Conference	Staff Development	Special Education for Infants and Families with Disabilities	NBPTS
REVENUES						
Local sources	\$ 144	\$ -	\$ 19,678	\$ 57,448	\$ -	\$ -
State sources	151,582	-	-	-	558,640	-
Federal sources	-	28,622	-	-	65,743	23,461
Total Revenue	151,726	28,622	19,678	57,448	624,383	23,461
EXPENDITURES						
Current:						
Salaries and benefits	132,057	23,638	-	11,255	474,777	20,883
Purchased services	23,343	5,084	17,410	3,700	140,264	2,551
Supplies and materials	1,338	-	722	56,368	9,442	27
Other objects	-	-	4,543	-	-	-
Capital outlay	-	-	-	-	-	-
Total Expenditures	156,738	28,722	22,675	71,323	624,483	23,461
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,012)	(100)	(2,997)	(13,875)	(100)	-
OTHER FINANCING SOURCES (USES)						
Transfer out	-	-	(287)	-	-	-
Interest	152	100	381	996	100	-
Total Other Financing Sources (Uses)	152	100	94	996	100	-
NET CHANGE IN FUND BALANCES	(4,860)	-	(2,903)	(12,879)	-	-
FUND BALANCES - BEGINNING	4,860	-	9,923	35,102	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ 7,020	\$ 22,223	\$ -	\$ -

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, 2008

	Homeless Children/Youth	Regional System of Support Provider	Alternative Education Project	Safe School Tuition	Safe School Projects	TOTAL
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ 104,295	\$ -	\$ 259,391
Slate sources	-	24,464	130,276	-	115,540	1,759,002
Federal sources	2,692	29,939	-	-	-	164,829
Total Revenue	<u>2,692</u>	<u>54,403</u>	<u>130,276</u>	<u>104,295</u>	<u>115,540</u>	<u>2,183,222</u>
EXPENDITURES						
Current:						
Salaries and benefits	1,598	51,717	166,639	98,539	106,874	1,802,274
Purchased services	901	2,686	6,981	23,592	1,842	391,542
Supplies and materials	226	-	2,893	28,527	22	126,801
Other objects	-	-	-	-	-	4,543
Capital outlay	-	-	2,420	4,266	-	6,686
Total Expenditures	<u>2,725</u>	<u>54,403</u>	<u>178,933</u>	<u>154,924</u>	<u>108,738</u>	<u>2,331,846</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(33)</u>	<u>-</u>	<u>(48,657)</u>	<u>(50,629)</u>	<u>6,802</u>	<u>(148,624)</u>
OTHER FINANCING SOURCES (USES)						
Transfer out	-	-	-	-	-	(287)
Interest	33	-	15,680	3,631	6,723	37,305
Total Other Financing Sources (Uses)	<u>33</u>	<u>-</u>	<u>15,680</u>	<u>3,631</u>	<u>6,723</u>	<u>37,018</u>
NET CHANGE IN FUND BALANCES	-	-	(32,977)	(46,998)	13,525	(111,606)
FUND BALANCES - BEGINNING	-	-	453,014	135,353	189,971	1,106,691
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 420,037</u>	<u>\$ 88,355</u>	<u>\$ 203,496</u>	<u>\$ 995,085</u>

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2007 to June 30, 2008)
EDUCATION FUND ACCOUNTS
TRUANT ALTERNATIVE/OPTIONAL EDUCATION
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Local sources	\$ -	\$ -	\$ 492
State sources	162,459	175,707	176,385
Federal sources	-	-	14,372
Total Revenues	<u>162,459</u>	<u>175,707</u>	<u>191,249</u>
EXPENDITURES			
Salaries and benefits	130,399	142,236	148,566
Purchased services	24,910	26,121	27,170
Supplies and materials	7,150	7,350	6,772
Total Expenditures	<u>162,459</u>	<u>175,707</u>	<u>182,508</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>8,741</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	2,602
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,602</u>
NET CHANGE IN FUND BALANCES	-	-	11,343
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>82,505</u>
FUND BALANCES - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 93,848</u></u>

CLINTON, MARION, AND WASHINGTON COUNTIES
 REGIONAL OFFICE OF EDUCATION #13
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2007 to June 30, 2008)
 EDUCATION FUND ACCOUNTS
 EVEN START/EARLY CHILDHOOD BLOCK GRANT
 FOR THE YEAR ENDED JUNE 30, 2008

	Original Budgeted Amounts		Final Budgeted Amounts		Actual Amounts
	3705-00	3705-01	3705-00	3705-01	
		Total		Total	
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 9,024
State sources	519,100	5,502	534,673	5,448	602,115
Total Revenues	519,100	5,502	534,673	5,448	611,139
EXPENDITURES					
Salaries and benefits	470,080	4,302	483,653	4,248	565,731
Purchased services	32,460	1,200	35,460	1,200	39,829
Supplies and materials	16,560	-	15,560	-	18,147
Total Expenditures	519,100	5,502	534,673	5,448	623,707
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	(12,568)
OTHER FINANCING SOURCES (USES)					
Interest	-	-	-	-	1,873
Total Other Financing Sources (Uses)	-	-	-	-	1,873
NET CHANGE IN FUND BALANCES	-	-	-	-	(10,695)
FUND BALANCES - BEGINNING	-	-	-	-	55,801
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -	\$ 45,106

CLINTON, MARION, AND WASHINGTON COUNTIES
REGIONAL OFFICE OF EDUCATION #13
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2007 to June 30, 2008)
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Local sources	\$ -	\$ -	\$ 144
State sources	153,210	152,912	151,582
Total Revenues	<u>153,210</u>	<u>152,912</u>	<u>151,726</u>
EXPENDITURES			
Salaries and benefits	131,900	131,900	132,057
Purchased services	20,109	19,811	23,343
Supplies and materials	1,201	1,201	1,338
Total Expenditures	<u>153,210</u>	<u>152,912</u>	<u>156,738</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(5,012)</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	152
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>152</u>
NET CHANGE IN FUND BALANCES	-	-	(4,860)
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>4,860</u>
FUND BALANCES - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</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, 2007 to June 30, 2008)
EDUCATION FUND ACCOUNTS
SPECIAL EDUCATION FOR INFANTS AND FAMILIES WITH DISABILITIES
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ -	\$ -	\$ 558,640
Federal sources	647,278	647,278	65,743
Total Revenues	<u>647,278</u>	<u>647,278</u>	<u>624,383</u>
EXPENDITURES			
Salaries and benefits	451,466	451,466	474,777
Purchased services	185,812	185,812	140,264
Supplies and materials	6,000	6,000	9,442
Capital outlay	4,000	4,000	-
Total Expenditures	<u>647,278</u>	<u>647,278</u>	<u>624,483</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(100)</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	100
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>100</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLINTON, MARION, AND WASHINGTON COUNTIES
 REGIONAL OFFICE OF EDUCATION #13
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2007 to June 30, 2008)
 EDUCATION FUND ACCOUNTS
 HOMELESS CHILDREN AND YOUTH PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 6,398	\$ 6,398	\$ 2,692
Total Revenues	<u>6,398</u>	<u>6,398</u>	<u>2,692</u>
EXPENDITURES			
Salaries and benefits	1,835	1,835	1,598
Purchased services	4,091	4,091	901
Supplies and materials	472	472	226
Total Expenditures	<u>6,398</u>	<u>6,398</u>	<u>2,725</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>(33)</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	33
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>33</u>
NET CHANGE IN FUND BALANCES			
	-	-	-
FUND BALANCES - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLINTON, MARION, AND WASHINGTON COUNTIES
 REGIONAL OFFICE OF EDUCATION #13
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2008

	Institute	General Education Development	Bus Driver Training	Supervisory	TOTALS
ASSETS					
Cash and cash equivalents	\$ 121,273	\$ 16,374	\$ 7,384	\$ 33	\$ 145,064
TOTAL ASSETS	<u>\$ 121,273</u>	<u>\$ 16,374</u>	<u>\$ 7,384</u>	<u>\$ 33</u>	<u>\$ 145,064</u>
LIABILITIES					
Accounts payable	\$ 14,274	\$ -	\$ -	\$ -	\$ 14,274
Total Liabilities	<u>14,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,274</u>
FUND BALANCES					
Unreserved	106,999	16,374	7,384	33	130,790
Total Fund Balances	<u>106,999</u>	<u>16,374</u>	<u>7,384</u>	<u>33</u>	<u>130,790</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 121,273</u>	<u>\$ 16,374</u>	<u>\$ 7,384</u>	<u>\$ 33</u>	<u>\$ 145,064</u>

CLINTON, MARION, AND WASHINGTON COUNTIES
 REGIONAL OFFICE OF EDUCATION #13
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

	Institute	General Education Development	Bus Driver Training	Supervisory	TOTALS
REVENUES					
Local sources	\$ 20,939	\$ 8,517	\$ 1,492	\$ -	\$ 30,948
State sources	-	-	720	3,000	3,720
Total Revenues	<u>20,939</u>	<u>8,517</u>	<u>2,212</u>	<u>3,000</u>	<u>34,668</u>
EXPENDITURES					
Current:					
Salaries and benefits	-	1,087	2,364	-	3,451
Purchased services	21,401	4,986	1,724	2,995	31,106
Supplies and materials	3,771	716	179	-	4,666
Other objects	726	-	-	-	726
Capital outlay	14,274	3,040	-	-	17,314
Total Expenditures	<u>40,172</u>	<u>9,829</u>	<u>4,267</u>	<u>2,995</u>	<u>57,263</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(19,233)</u>	<u>(1,312)</u>	<u>(2,055)</u>	<u>5</u>	<u>(22,595)</u>
OTHER FINANCING SOURCES (USES)					
Interest	4,366	630	304	28	5,328
Total Other Financing Sources (Uses)	<u>4,366</u>	<u>630</u>	<u>304</u>	<u>28</u>	<u>5,328</u>
NET CHANGE IN FUND BALANCES	<u>(14,867)</u>	<u>(682)</u>	<u>(1,751)</u>	<u>33</u>	<u>(17,267)</u>
FUND BALANCES - BEGINNING	<u>121,866</u>	<u>17,056</u>	<u>9,135</u>	<u>-</u>	<u>148,057</u>
FUND BALANCES - ENDING	<u>\$ 106,999</u>	<u>\$ 16,374</u>	<u>\$ 7,384</u>	<u>\$ 33</u>	<u>\$ 130,790</u>

CLINTON, MARION, AND WASHINGTON COUNTIES
 REGIONAL OFFICE OF EDUCATION #13
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 YEAR ENDED JUNE 30, 2008

	Balance 7/1/2007	Additions	Deductions	Balance 6/30/2008
<u>Distributive Fund</u>				
<u>ASSETS</u>				
Cash	\$ 24,554	\$ 76,803,432	\$ 76,827,947	\$ 39
Due from other governments	1,342,929	4,351,693	1,294,661	4,399,961
Total Assets	<u>\$ 1,367,483</u>	<u>\$ 81,155,125</u>	<u>\$ 78,122,608</u>	<u>\$ 4,400,000</u>
<u>LIABILITIES</u>				
Due to other governments	<u>\$ 1,367,483</u>	<u>\$ 81,155,125</u>	<u>\$ 78,122,608</u>	<u>\$ 4,400,000</u>
Total Liabilities	<u>\$ 1,367,483</u>	<u>\$ 81,155,125</u>	<u>\$ 78,122,608</u>	<u>\$ 4,400,000</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, 2008

TREASURER	General State Aid	Special Education	Vocational Education	Bilingual Ed	Special Programs	Lunch & Milk
Perez (#1)	\$ 3,752,817	\$ 316,735	\$ -	\$ -	\$ -	\$ 163,940
Bair (#3)	4,432,624	379,358	-	-	-	132,282
Nettemcier (#12)	1,588,219	175,006	-	-	-	113,129
Kohlbrecher (#14/15)	614,666	27,907	-	-	-	8,814
Kuper (#21)	1,168,378	70,419	-	-	-	18,984
Holtkamp (#46)	794,393	46,467	-	-	-	46,526
Toennies (#57)	634,163	36,516	-	-	-	6,148
Beckmann (#60)	1,037,490	47,846	-	-	-	19,988
Arentsen (#62)	363,416	27,566	-	-	-	12,865
Deimeke (#63)	625,208	24,374	-	674	-	13,855
Kampwerth (#71)	1,219,003	126,433	-	-	-	41,496
Holtkamp (#186)	546,539	23,475	-	-	-	50,863
Smith (#1)	1,194,031	86,404	-	-	-	60,593
Alvis (#2)	486,732	20,519	-	-	-	26,020
Hall (#7)	1,295,713	50,265	-	-	-	74,307
Phillips (#10)	933,229	48,702	-	-	-	41,013
Woolsey (#100)	675,662	49,343	-	-	-	77,030
Lloyd (#111)	4,014,842	237,277	-	-	-	264,881
Laffoon (#122)	1,144,332	77,914	-	-	-	61,706
Holtkamp (#133)	1,202,387	77,145	-	-	-	65,837
Woelfel (#135)	6,325,971	383,317	-	-	-	548,166
Broughton (#200)	4,219,392	228,717	-	-	-	141,643
Doolen (#401)	2,689,637	181,763	-	-	-	187,818
Humes (#501)	2,844,252	164,189	-	-	-	160,872
Hughes (#600)	3,288,930	179,770	-	-	-	102,573
Laffoon (#700)	435,387	23,311	-	-	-	12,417
McClay (#1)	295,580	21,555	-	-	-	13,546
Hund (#10)	1,875,103	100,380	-	-	-	44,036
Beckmeyer (#11)	404,649	21,403	-	-	-	24,756
Deering (#15)	658,578	37,621	-	-	-	43,230
Bierman (#29)	264,106	24,562	-	-	-	11,135
Snead (#49)	1,026,661	107,823	-	-	-	72,012
Brueggemann (#99)	1,536,081	92,258	-	-	-	27,119
Career and Tech Ed Sys	-	-	380,415	-	-	-
Hazel Hopkins	-	5,680,147	-	-	-	52,613
IL Funds Interest	-	-	-	-	23,748	-
Totals	<u>\$ 53,588,171</u>	<u>\$ 9,196,487</u>	<u>\$ 380,415</u>	<u>\$ 674</u>	<u>\$ 23,748</u>	<u>\$ 2,742,213</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, 2008

TREASURER	Driver Education	Transportation	Reading Improvement	Safety/Ed Block Grant	National Bd Initiatives
Perez (#1)	\$ 16,697	\$ 281,633	\$ 43,150	\$ 42,116	\$ 15,604
Bair (#3)	17,322	182,674	39,007	46,479	-
Nettemeier (#12)	-	124,947	27,357	21,734	-
Kohlbrecher (#14/15)	-	18,259	10,504	6,282	-
Kuper (#21)	-	63,806	11,521	11,671	-
Holtkamp (#46)	-	43,279	9,626	5,946	-
Toennies (#57)	-	36,427	5,547	5,408	-
Beckmann (#60)	-	4,195	10,555	9,162	-
Arentsen (#62)	-	20,946	2,044	3,667	-
Deimeke (#63)	-	12,795	7,787	6,336	-
Kampwerth (#71)	40,717	276,335	-	20,745	-
Holtkamp (#186)	-	12,144	6,291	4,026	-
Smith (#1)	-	115,710	13,489	9,079	-
Alvis (#2)	-	44,527	6,371	3,708	13,390
Hall (#7)	-	146,205	12,397	9,140	-
Phillips (#10)	-	61,678	9,084	8,661	-
Woolsey (#100)	3,375	148,453	8,949	8,813	15,075
Lloyd (#111)	-	238,492	55,667	33,490	-
Laffoon (#122)	-	34,928	14,165	8,151	-
Holtkamp (#133)	-	34,239	14,992	8,040	-
Woelfel (#135)	-	412,107	94,603	46,295	3,000
Broughton (#200)	36,500	181,642	-	35,656	20,604
Doolen (#401)	10,475	358,778	13,156	23,805	-
Humes (#501)	4,949	140,869	24,354	19,007	-
Hughes (#600)	35,053	93,255	-	29,004	-
Laffoon (#700)	3,838	7,312	-	3,225	-
McClay (#1)	-	43,022	3,398	2,892	-
Hund (#10)	10,755	251,803	13,586	19,350	-
Beckmeyer (#11)	-	7,584	6,245	3,262	-
Deering (#15)	-	73,200	10,849	6,393	-
Bierman (#29)	-	38,191	3,923	2,652	-
Snead (#49)	-	104,971	20,555	17,681	6,104
Brueggemann (#99)	19,263	183,190	-	17,319	12,104
Career and Tech Ed Sys	-	-	-	-	-
Hazel Hopkins	-	-	-	-	-
IL Funds Interest	-	-	-	-	-
Totals	<u>\$ 198,944</u>	<u>\$ 3,797,596</u>	<u>\$ 499,172</u>	<u>\$ 499,195</u>	<u>\$ 85,881</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, 2008

TREASURER	Title Programs	Technology Enhancing Ed	Other Federal Program	Art/Foreign Language	Early Childhood	TOTALS
Perez (#1)	\$ 286,778	\$ 2,205	\$ -	\$ -	\$ 274,230	\$ 5,195,905
Bair (#3)	125,081	1,058	-	-	272,107	5,627,992
Nettemeier (#12)	100,588	-	-	-	-	2,150,980
Kohlbrecher (#14/15)	67,838	588	-	-	79,523	834,381
Kuper (#21)	7,109	-	-	-	112,822	1,464,710
Holtkamp (#46)	38,172	-	-	-	-	984,409
Toennies (#57)	10,377	-	-	-	-	734,586
Beckmann (#60)	22,788	-	-	-	51,388	1,203,412
Arentsen (#62)	6,498	-	-	-	-	437,002
Deimeke (#63)	21,412	-	-	-	-	712,441
Kampwerth (#71)	71,887	-	-	-	-	1,796,616
Holtkamp (#186)	32,661	1,595	12,367	-	-	689,961
Smith (#1)	67,853	582	-	100,000	-	1,647,741
Alvis (#2)	43,855	321	-	-	-	645,443
Hall (#7)	46,293	-	-	-	-	1,634,320
Phillips (#10)	34,389	240	-	-	-	1,136,996
Woolsey (#100)	61,540	1,012	-	-	-	1,049,252
Lloyd (#111)	385,067	2,973	-	-	-	5,232,689
Laffoon (#122)	109,424	1,123	-	-	106,082	1,557,825
Holtkamp (#133)	115,980	894	-	-	-	1,519,514
Woelfel (#135)	873,152	6,555	-	-	-	8,693,166
Broughton (#200)	286,566	452,511	-	-	-	5,603,231
Doolen (#401)	216,008	2,617	-	-	-	3,684,057
Humes (#501)	264,295	2,558	-	-	106,327	3,731,672
Hughes (#600)	137,605	1,056	-	100,000	-	3,967,246
Laffoon (#700)	4,817	241	-	-	-	490,548
McClay (#1)	2,468	-	-	-	-	382,461
Hund (#10)	42,343	-	-	-	-	2,357,356
Beckmeyer (#11)	28,205	-	-	-	-	496,104
Deering (#15)	92,506	700	14,454	-	-	937,531
Bierman (#29)	3,013	-	-	-	-	347,582
Snead (#49)	94,456	627	-	-	181,665	1,632,555
Brueggemann (#99)	79,474	1,355	-	-	-	1,968,163
Career and Tech Ed Sys	143,177	-	-	-	-	523,592
Hazel Hopkins	-	-	-	-	-	5,732,760
IL Funds Interest	-	-	-	-	-	23,748
Totals	<u>\$ 3,923,675</u>	<u>\$ 480,811</u>	<u>\$ 26,821</u>	<u>\$ 200,000</u>	<u>\$ 1,184,144</u>	<u>\$ 76,827,947</u>