



State of Illinois  
SUBURBAN COOK COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 14  
FINANCIAL AUDIT  
For the Year Ended June 30, 2007

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

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
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**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**OFFICIALS**

Regional Superintendent (current)	Honorable Dr. Charles A. Flowers
Regional Superintendent (during the audit period)	Honorable Robert Ingraffia
Assistant Regional Superintendent (during the audit period)	Ms. Margot Fennelly
Assistant Regional Superintendent (9.5 months during the audit period)	Mr. Thomas O'Malley
Assistant Regional Superintendent (6 months during the audit period)	Mr. Joseph Scolire
Assistant Regional Superintendent (5 months during the audit period)	Mr. James Fiore
Assistant Regional Superintendent (1 month during the audit period)	Ms. Georgia Edwards
Assistant Regional Superintendent (1.5 months during the audit period)	Mr. William Palter
Assistant Regional Superintendent (current)	Dr. Harry Reynolds
Assistant Regional Superintendent (current)	Dr. Nichelle Rivers
Assistant Regional Superintendent (current)	Dr. Predonna Roberts

Office is located at:

10110 Gladstone Street  
Westchester, Illinois 60154-2618

SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14

**FINANCIAL REPORT SUMMARY**

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

**AUDITOR'S REPORTS**

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

**SUMMARY OF AUDIT FINDINGS**

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

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

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

Item No.    Page                    Description

FINDINGS (GOVERNMENT AUDITING STANDARDS)

07-1	9	Controls Over Financial Statement Preparation
07-2	11	Continuation as a Going Concern
07-3	12	Inadequate Accounting Software and Internal Controls

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

06-1	17	Controls Over Compliance with Laws and Regulations
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**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on October 17, 2007. Attending were Honorable Dr. Charles A. Flowers, Regional Superintendent and Joe Hoerschelmann, from Clifton Gunderson LLP. Responses to the recommendations were provided by Honorable Dr. Charles A. Flowers, Regional Superintendent on March 21, 2008.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**

**FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of Suburban Cook County Regional Office of Education No. 14 was performed by Clifton Gunderson LLP.

Based on their audit, the auditors expressed an unqualified opinion on Suburban Cook County Regional Office of Education No. 14's basic financial statements.

## INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Suburban Cook County Regional Office of Education No. 14, as of and for the year ended June 30, 2007, which collectively comprise the Suburban Cook County Regional Office of Education No. 14's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Suburban Cook County Regional Office of Education No. 14's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Suburban Cook County Regional Office of Education No. 14, as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2008, on our consideration of the Suburban Cook County Regional Office of Education No. 14's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 18 through 28 is not a required part of the basic financial statements but is 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 Suburban Cook County Regional Office of Education No. 14's basic financial statements. The combining and individual nonmajor fund financial statements 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 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.

*Clifton Henderson LLP*

Clinton, Iowa  
June 12, 2008



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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Suburban Cook County Regional Office of Education No. 14, as of and for the year ended June 30, 2007, which collectively comprise the Suburban Cook County Regional Office of Education No. 14's basic financial statements and have issued our report thereon dated June 12, 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 Suburban Cook County Regional Office of Education No. 14'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 Suburban Cook County Regional Office of Education No. 14's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Suburban Cook County Regional Office of Education No. 14's internal control over financial reporting.

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

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting, 07-1, 07-2, and 07-3.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 07-1 to be a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Suburban Cook County Regional Office of Education No. 14'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*.

Suburban Cook County Regional Office of Education No. 14's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Suburban Cook County Regional Office of Education No. 14's responses and, accordingly, we express no opinion on them.

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

*Clifton Henderson LLP*

Clinton, Iowa  
June 12, 2008

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2007**

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

**Financial Statements**

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

Internal control over financial reporting:

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

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2007**

**Section II: Findings Related to the Basic Financial Statements:**

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

**Criteria/Specific Requirement:**

The Regional Office of Education No. 14 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

**Condition:**

The Regional Office of Education No. 14 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not maintain adequate internal controls over the processing of all financial transactions and numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.
- The Regional Office did not have adequate controls over the maintenance of complete records of accounts payable or deferred revenues. While the Regional Office did maintain records of accounts payable, no entries were made to record the amounts from these records. Additionally, no entries were provided to reconcile the ROE's grant activity, such as posting grant receivables and deferred revenues.
- The Regional Office does not have the ability to prepare accurate financial reports on the fund basis of accounting.

**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.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2007**

**Section II: Findings Related to the Basic Financial Statements:**

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

**Recommendation:**

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education No. 14 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

**Management's Response:**

The Regional Office of Education No. 14 understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Regional Office will seek the assistance of the county auditor to provide the accounting expertise to prepare and/or review the financial statements for our office. This should help to control the additional costs of such preparations. We have also contacted our accounting system provider to develop reporting software that would assist the ROE in meeting these requirements.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2007**

**Section II: Findings Related to the Basic Financial Statements:**

**FINDING NO. 07-2 - Continuation as a Going Concern (Repeat from 2006 - No. 06-2)**

**Criteria/Specific Requirement:**

All audits conducted in accordance with generally accepted auditing standards require the auditor to evaluate the entity's financial position and contemplate the continuation of the entity as a going concern.

**Condition:**

The Suburban Cook County Regional Office of Education No. 14's liabilities exceeded its total net assets by \$413,434. On a cash basis of accounting, the Regional Office has sufficient financial resources to operate through fiscal year 2008. The Regional Office did take some action during fiscal year 2007 to address this issue, for example, by increasing the amount charged for fingerprinting services. However, if the Regional Office continues to operate at the current level without obtaining additional funding or decreasing expenditures, its ability to continue as a going concern may be questioned in future years.

**Effect:**

At the present time, financial statement analysis shows that the Suburban Cook County Regional Office of Education No. 14 will not be able to continue as a going concern in future years unless it lowers expenditures or continues to find sources of additional funding.

**Cause:**

According to Regional Office officials, the Suburban Cook County Regional Office of Education No. 14 has experienced a significant loss of funding in recent years. Along with this decreased funding, there has also been an increase in the Office's responsibilities regarding the teacher certification program, causing the Office to hire additional staff and thus increasing expenditures. Regional Office officials also stated that the Suburban Cook County Regional Office of Education No. 14 is the only Regional Office of Education in the State of Illinois that does not receive funding from its respective county.

**Recommendation:**

The Suburban Cook County Regional Office of Education No. 14 should attempt to streamline operations so that expenditures are lowered and/or continue to seek additional funding sources.

**Management's Response:**

Effective July 1, 2007, the new Regional Superintendent has instituted decisive actions to reduce the \$ 413,434 excess spending. Closer monitoring and reporting (including written work logs for each employee) has been instituted. Unlike the rest of Illinois, Cook County does not contribute any financial resources to the Regional Office of Education. Therefore, the Regional Superintendent will address this issue with the Cook County Board.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2007**

**Section II: Findings Related to the Basic Financial Statements:**

**FINDING NO. 07-3 - Inadequate Accounting Software and Internal Controls**

**Criteria/Specific Requirement:**

The Regional Superintendent of Schools is responsible for establishing and maintaining an internal control system to prevent errors and irregularities. In addition, the Regional Office of Education is required by the Illinois State Board of Education to maintain their accounting system in accordance with the Regional Office of Education Accounting Manual. The Manual requires the Regional Office of Education to maintain an accounting system on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual balances and changes therein.

**Condition:**

The Regional Office of Education utilizes an accounting software package which was not designed for governmental entities. The package does not provide the internal controls and reporting features required for proper fund accounting. The software package allows for the revenues and expenses of the Regional Office of Education's programs to be accounted for separately, but combines all assets, liabilities, and fund balances.

**Effect:**

With the current software package, management cannot easily obtain entity-wide financial information necessary to make informed management decisions. Without an accounting system with proper internal controls, errors or misappropriations may occur and not be detected by management. In addition, financial statements in accordance with generally accepted accounting principles and the Regional Office of Education Accounting Manual cannot be readily prepared from the current accounting system.

**Cause:**

The Regional Office of Education was unaware of the requirements set forth in the Regional Office of Education Accounting Manual and did not maintain an adequate accounting system.

**Recommendation:**

The Suburban Cook County Regional Office of Education #14 should implement an accounting software application that provides the necessary controls and reporting features required for proper fund accounting. An appropriate accounting system will support the multiple programs and funds administered by the Regional Office. The accounting system should have the capabilities necessary for the Regional Office to be in compliance with the Regional Office of Education Accounting Manual and provide the reporting detail necessary to prepare financial statements in accordance with generally accepted accounting principles.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007**

**Section II: Findings Related to the Basic Financial Statements:**

**FINDING NO. 07-3 - Inadequate Accounting Software and Internal Controls (Continued)**

**Management's Response:**

The Regional Office of Education will purchase a new financial software package that will provide sufficient details to prepare financial statements in accordance with generally accepted accounting principles. In addition, the business manager will supervise all financial reporting processes. He has the knowledge base and expertise regarding the processing of ROE accounting transactions and operations.



**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
Year Ended June 30, 2007**

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

**Condition:**

The Regional Office of Education No. 14 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not maintain adequate internal controls over the processing of all financial transactions and numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.
- The Regional Office did not have adequate controls over the maintenance of complete records of accounts payable or deferred revenues. While the Regional Office did maintain records of accounts payable, no entries were made to record the amounts from these records. Additionally, no entries were provided to reconcile the ROE's grant activity, such as posting grant receivables and deferred revenues.
- The Regional Office does not have the ability to prepare accurate financial reports on the fund basis of accounting.

**Plan:**

The Regional Office of Education No. 14 understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Regional Office will seek the assistance of the county auditor to provide the accounting expertise to prepare and/or review the financial statements for our office. This should help to control the additional costs of such preparations. We have also contacted our accounting system provider to develop reporting software that would assist the ROE in meeting these requirements.

**Anticipated Date of Completion:**

Immediately

**Name of Contact Person:**

Honorable Dr. Charles Flowers, Regional Superintendent

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
Year Ended June 30, 2007**

**FINDING NO. 07-2 - Continuation as a Going Concern**

**Condition:**

The Suburban Cook County Regional Office of Education No. 14's liabilities exceeded its total net assets by \$413,434. On a cash basis of accounting, the Regional Office has sufficient financial resources to operate through fiscal year 2008. The Regional Office did take some action during fiscal year 2007 to address this issue, for example, by increasing the amount charged for fingerprinting services. However, if the Regional Office continues to operate at the current level without obtaining additional funding or decreasing expenditures, its ability to continue as a going concern may be questioned in future years.

**Plan:**

Effective July 1, 2007, the new Regional Superintendent has instituted decisive actions to reduce the \$ 413,434 excess spending. Closer monitoring and reporting (including written work logs for each employee) has been instituted. Unlike the rest of Illinois, Cook County does not contribute any financial resources to the Regional Office of Education. Therefore, the Regional Superintendent will address this issue with the Cook County Board.

**Anticipated Date of Completion:**

This will be an ongoing plan for the next several years.

**Name of Contact Person:**

Honorable Dr. Charles Flowers, Regional Superintendent

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
Year Ended June 30, 2007**

**FINDING NO. 07-3 - Inadequate Accounting Software and Internal Controls**

**Condition:**

The Regional Office of Education utilizes an accounting software package which was not designed for governmental entities. The package does not provide the internal controls and reporting features required for proper fund accounting. The software package allows for the revenues and expenses of the Regional Office of Education's programs to be accounted for separately, but combines all assets, liabilities, and fund balances.

**Plan:**

The Regional Office of Education will purchase a new financial software package that will provide sufficient details to prepare financial statements in accordance with generally accepted accounting principles. In addition, the business manager will supervise all financial reporting processes. He has the knowledge base and expertise regarding the processing of ROE accounting transactions and operations.

**Anticipated Date of Completion:**

Immediately

**Name of Contact Person:**

Honorable Dr. Charles Flowers, Regional Superintendent

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**June 30, 2007**

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
06-1	A. Public Act 95-496 repealed the requirements of 105 ILCS 5/3-14.11.	Resolved
06-1	B. ROE reported all activities quarterly to the county board, including a list of all school visited with dates of visitation.	Resolved
06-1	C. Public Act 95-496 repealed the requirements of 105 ILCS 5/3-14.5.	Resolved
06-2	Continuation as a Going Concern	Repeated

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

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2007**

Suburban Cook County Regional Office of Education No. 14 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2007. We encourage readers to consider this information in conjunction with Suburban Cook County Regional Office of Education No. 14's financial statements, which follow.

**2007 FINANCIAL HIGHLIGHTS**

- General Fund revenues increased from \$882,103 in fiscal year 2006 to \$1,015,644 in fiscal year 2007, and General Fund expenditures increased from \$854,872 in fiscal year 2006 to \$1,055,176 in fiscal year 2007. Suburban Cook County Regional Office of Education No. 14's General Fund balance decreased from \$95,176 in fiscal year 2006 to \$57,367 in fiscal year 2007, a 40% decrease.
- The increase in General Fund revenues was attributable to an increase in the office operations grant and the flow thru money to our intermediate service centers. The reason for the increase in General Fund expenditures was attributable to the disbursement of those flow-thru funds to our intermediate service centers.
- The Institute Fund revenues increased from \$469,388 in 2006 to \$535,969 in 2007. This increase is primarily due to a normal fluctuation in teachers' applications and annual registrations. Expenditures decreased from \$821,249 in 2006 to \$704,555 in 2007. This decrease is primarily due to staff reductions and the reduction in the amount of overtime paid.
- The Education Fund revenues increased from \$168,360 in 2006 to \$248,953 in 2007. This increase is primarily due to an increase in the Truant Alternative Grant as well as the addition of the Pre-School Monitoring program. Expenditures decreased from \$189,086 in 2006 to \$187,615 in 2007. This decrease is primarily due to a reduction in overtime paid.

**USING THIS ANNUAL REPORT**

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of Suburban Cook County Regional Office of Education No. 14'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 Suburban Cook County Regional Office of Education No. 14 as a whole and present an overall view of Suburban Cook County Regional Office of Education No. 14's finances.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2007**

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Suburban Cook County Regional Office of Education No. 14's operations in more detail than the government-wide statements by providing information about the most significant funds.

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

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

Summarized below are the major features of Suburban Cook County Regional Office of Education No. 14's financial statements, including the portion of Suburban Cook County Regional Office of Education No. 14's activities they cover and the types of information they contain.

	<u>Government-wide Statements</u>	<u>Governmental Funds</u>
Scope	Entire Suburban Cook County Regional Office of Education No. 14	The activities of Suburban Cook County Regional Office of Education, such as the General, Education and Institute Funds
Required financial statements	Statement of Net Assets Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due during the year or soon thereafter

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2007**

**REPORTING SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14'S  
FINANCIAL ACTIVITIES**

***Government-wide Financial Statements***

The government-wide financial statements report information about Suburban Cook County Regional Office of Education No. 14 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of Suburban Cook County Regional Office of Education No. 14's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report Suburban Cook County Regional Office of Education No. 14's net assets and how they have changed. Net assets - the difference between Suburban Cook County Regional Office of Education No. 14's assets and liabilities - are one way to measure Suburban Cook County Regional Office of Education No. 14's financial health or financial position. Over time, increases or decreases in Suburban Cook County Regional Office of Education No. 14's net assets are an indicator of whether financial position is improving or deteriorating. To assess Suburban Cook County Regional Office of Education No. 14's overall health, additional non-financial factors, such as changes in Suburban Cook County Regional Office of Education No. 14's community and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, Suburban Cook County Regional Office of Education No. 14's activities are in one category:

- *Governmental activities:* All of Suburban Cook County Regional Office of Education No. 14's basic services are included here, such as grants and teacher certifications. State grants and local programs finance most of these activities.

***Fund Financial Statements***

The fund financial statements provide more detailed information about Suburban Cook County Regional Office of Education No. 14's funds, focusing on its most significant or "major" funds - not Suburban Cook County Regional Office of Education No. 14 as a whole. Funds are accounting devices Suburban Cook County Regional Office of Education No. 14 uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law. Suburban Cook County Regional Office of Education No. 14 establishes other funds to control and manage money for particular purposes, such as accounting for special revenue funds, or to show that it is properly using certain revenues, such as federal grants.



**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2007**

Suburban Cook County Regional Office of Education No. 14 has one kind of fund:

- *Governmental funds:* All of Suburban Cook County Regional Office of Education No. 14's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance Suburban Cook County Regional Office of Education No. 14's programs.

Suburban Cook County Regional Office of Education No. 14's governmental funds include General Fund, Institute Fund, Education Fund, Directory Fund, Bus Driver Fund, Supervisory Fund, and Fingerprinting Fund.

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

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

### **Government-Wide Financial Analysis**

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of Suburban Cook County Regional Office of Education No. 14, assets were exceeded by liabilities by \$413,434 as of June 30, 2007.

A portion of Suburban Cook County Regional Office of Education No. 14's net assets reflects its investment in capital assets (e.g., furniture and equipment), less any related debt used to acquire those assets that are still outstanding. Suburban Cook County Regional Office of Education No. 14 did not use any debt to finance the purchase of capital assets. The Government-wide statements also include \$980,129 in liabilities consisting of accounts payable, accrued liabilities, amounts due to other governments, and deferred revenue.

Suburban Cook County Regional Office of Education No. 14's financial position is the product of several financial transactions including the net results of activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2007**

The following table presents a summary of Suburban Cook County Regional Office of Education No. 14's net assets for the fiscal years ended June 30, 2007 and 2006.

	<b><u>Governmental Activities</u></b>	
	<b><u>2007</u></b>	<b><u>2006</u></b>
Current assets	\$ 545,606	\$ 704,036
Capital assets, net of accumulated depreciation	<u>21,089</u>	<u>20,512</u>
Total assets	<u>566,695</u>	<u>724,548</u>
Current liabilities	<u>980,129</u>	<u>983,736</u>
Net assets		
Invested in capital assets, net of related debt	21,089	20,512
Unrestricted	<u>(434,523)</u>	<u>(279,700)</u>
<b>Total net assets</b>	<b><u>\$ (413,434)</u></b>	<b><u>\$ (259,188)</u></b>

The largest portion of Suburban Cook County Regional Office of Education No. 14's net assets is cash that is to be used to finance operations. Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements were \$(434,523) at year end.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2007**

**Changes in net assets.** Suburban Cook County Regional Office of Education No. 14's total revenue for the fiscal year ended June 30, 2007 was \$2,061,913. The total cost of all programs and services was \$2,216,159. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2007 and 2006.

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 147,001	\$ 182,695
Operating grants and contributions	868,535	699,623
General revenues:		
Local sources	713,709	489,806
State sources	-	11,302
On-behalf payments	<u>332,668</u>	<u>317,498</u>
Total revenues	<u>2,061,913</u>	<u>1,700,924</u>
<b>Expenses:</b>		
Education:		
Salaries and benefits	648,771	561,004
Purchased services	504,106	524,398
Supplies and materials	12,102	29,658
Capital outlay	899	-
Payments to other governments	561,389	471,525
State teachers' certification board	147,001	182,695
Depreciation expense	9,223	10,747
Administrative:		
On-behalf payments	<u>332,668</u>	<u>317,498</u>
Total expenses	<u>2,216,159</u>	<u>2,097,525</u>
Changes in net assets	(154,246)	(396,601)
Beginning net assets	<u>(259,188)</u>	<u>137,413</u>
<b>Ending net assets</b>	<u>\$ (413,434)</u>	<u>\$ (259,188)</u>

Operating grants and contributions account for 42% of the total revenue. Suburban Cook County Regional Office of Education No. 14's expenses primarily relate to education which accounts for 85% of the total expenses.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 June 30, 2007

**Governmental Activities**

Revenues for governmental activities were \$2,061,913 and \$1,700,924 and expenses were \$2,216,159 and \$2,097,525 for June 30, 2007 and 2006, respectively.

The following tables present the cost of Suburban Cook County Regional Office of Education No. 14's functional governmental activities. The tables also show each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and Suburban Cook County Regional Office of Education No. 14's community by each of these functions.

**2007**

	<b><u>Total</u></b>	<b><u>Net</u></b>
	<b><u>Expenses</u></b>	<b><u>(Expenses)</u></b>
		<b><u>Revenues</u></b>
Education		
Salaries and benefits	\$ 648,771	\$ (324,385)
Purchased services	504,106	(252,053)
Supplies and materials	12,102	(6,051)
Capital outlay	899	4,451
Payments to other governments	561,389	(280,694)
State teachers' certification board	147,001	-
Depreciation expense	9,223	(9,223)
Administrative		
On-behalf payments	<u>332,668</u>	<u>(332,668)</u>
<b>Total expenses</b>	<b><u>\$ 2,216,159</u></b>	<b><u>\$(1,200,623)</u></b>

**2006**

	<b><u>Total</u></b>	<b><u>Net</u></b>
	<b><u>Expenses</u></b>	<b><u>(Expenses)</u></b>
		<b><u>Revenues</u></b>
Education		
Salaries and benefits	\$ 561,004	\$ (519,506)
Purchased services	524,398	(322,064)
Supplies and materials	29,658	(10,405)
Payments to other governments	471,525	(34,987)
State teachers' certification board	182,695	-
Depreciation expense	10,747	(10,747)
Administrative		
On-behalf payments	<u>317,498</u>	<u>(317,498)</u>
<b>Total expenses</b>	<b><u>\$ 2,097,525</u></b>	<b><u>\$(1,215,207)</u></b>

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2007**

The cost of all governmental activities was \$2,216,159 and \$2,097,525 for June 30, 2007 and 2006, respectively.

Charges for services and operating grants and contributions subsidized certain governmental activities with grants and contributions and other local revenues of \$1,015,536 and \$882,318 for June 30, 2007 and 2006, respectively.

Net cost of governmental activities, \$1,200,623 and \$1,215,207 at June 30, 2007 and 2006, respectively, was financed by local and state sources that are not directly associated with the functions and objects above.

#### **INDIVIDUAL FUND ANALYSIS**

As previously noted, Suburban Cook County Regional Office of Education No. 14 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of Suburban Cook County Regional Office of Education No. 14 as a whole is reflected in its governmental funds, as well. As Suburban Cook County Regional Office of Education No. 14 completed the year, its governmental funds reported a combined fund balance of \$(434,523). This is below last year's ending fund balance of \$(279,700).

#### **GOVERNMENTAL FUND HIGHLIGHTS**

- Suburban Cook County Regional Office of Education No. 14's decreasing General Fund financial position is the result of increasing fixed costs and the lack of county funding. The increase in expenditures was greater than the increase in revenue.
- The Institute Fund balance decreased from \$(414,083) to \$(582,669), due to payments for salaries of employees and other costs; also the lack of Cook County funding has increased our dependency on institute funds.
- The Education Fund balance increased from \$25,895 to \$85,510, due to an increase in the Truant Alternative Grant and the addition of the Pre-School Monitoring Program. Additionally, new controls over costs were implemented lowering the expenses for the current year.

#### **BUDGETARY HIGHLIGHTS**

Suburban Cook County Regional Office of Education No. 14 prepares budgets for three grants including the General Fund, McKinney Homeless Grant, and Truant Alternative Grant. The Truant Alternative Grant budget was the only one amended during the fiscal year.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2007**

Suburban Cook County Regional Office of Education No. 14 prepares a five year revenue budget for the Institute Fund. This budget is not presented, as it is not based on expenses and would not be a good indicator of financial position. It is used by management to prepare for expected receipts for teacher certifications and renewals.

**CAPITAL ASSETS**

As of June 30, 2007, Suburban Cook County Regional Office of Education No. 14 had invested \$21,089 in capital assets, including furniture and equipment. Total depreciation expense for the year was \$9,223.

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

	<u><b>Governmental Activities</b></u>
Furniture and equipment	\$ <u>21,089</u>

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

	<u><b>Governmental Activities</b></u>
Furniture and equipment	\$ <u>20,512</u>

Additional information on Suburban Cook County Regional Office of Education No. 14's capital assets can be found in Note 3 on page 43 of this report.

**ECONOMIC FACTORS BEARING ON SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14'S FUTURE**

At the time these financial statements were prepared and audited, Suburban Cook County Regional Office of Education No. 14 was aware of several existing circumstances that could significantly affect its financial health in the future:

It is expected that fiscal year 2008 will represent a low point in the 5-year revenue cycle within the Institute Fund. Additionally, there is also an amount of uncertainty pertaining to the current level of State funding, namely in the Truant Alternative Grant program. However, under the leadership of our new Regional Superintendent, there will be an added emphasis on operating efficiency as well as the exploration of other possible sources of revenue.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2007**

**CONTACTING SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14'S  
FINANCIAL MANAGEMENT**

This financial report is designed to provide Suburban Cook County Regional Office of Education No. 14's citizens, taxpayers, customers, and creditors with a general overview of Suburban Cook County Regional Office of Education No. 14's finances and to demonstrate Suburban Cook County Regional Office of Education No. 14's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Suburban Cook County Regional Office of Education No. 14, 10110 Gladstone Street, Westchester, Illinois 60154-2618.

## **BASIC FINANCIAL STATEMENTS**



**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**STATEMENT OF NET ASSETS**  
June 30, 2007

	<u>Primary Government Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 544,883
Prepaid expenses	723
Total current assets	545,606
Noncurrent assets:	
Capital assets, being depreciated, net	21,089
Total assets	566,695
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	23,147
Accrued liabilities	9,094
Due to other governments	41,599
Deferred revenue	906,289
Total liabilities	980,129
<b>NET ASSETS</b>	
Investment in capital assets, net of related debt	21,089
Unrestricted	(434,523)
<b>Total net assets</b>	<b>\$ (413,434)</b>

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

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2007**

**EXHIBIT B**

<b>FUNCTIONS/PROGRAMS</b>	<b>Program Revenues</b>			<b>Net (Expenses) Revenues and Changes in Net Assets</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Primary Governmental Activities</b>
Primary government:				
Governmental activities:				
Education:				
Salaries and benefits	\$ 648,771	\$ -	\$ 324,386	\$ (324,385)
Purchased services	504,106	-	252,053	(252,053)
Supplies and materials	12,102	-	6,051	(6,051)
Capital outlay	899	-	5,350	4,451
Payments to other governments	561,389	-	280,695	(280,694)
State teachers' certification board	147,001	147,001	-	-
Depreciation expense	9,223	-	-	(9,223)
Administrative:				
On-behalf payments	332,668	-	-	(332,668)
<b>Total primary government</b>	<b>\$ 2,216,159</b>	<b>\$ 147,001</b>	<b>\$ 868,535</b>	<b>(1,200,623)</b>
General revenues:				
Local sources				713,709
On-behalf payments				332,668
Total general revenues				1,046,377
<b>CHANGES IN NET ASSETS</b>				<b>(154,246)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>				<b>(259,188)</b>
<b>NET ASSETS, END OF YEAR</b>				<b>\$ (413,434)</b>

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

## SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14

EXHIBIT C

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
 June 30, 2007

	<u>General</u> <u>Fund</u>	<u>Institute</u> <u>Fund</u>	<u>Education</u> <u>Fund</u>	<u>Other</u> <u>Nonmajor</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 62,644	\$ 332,714	\$ 129,245	\$ 20,280	\$ 544,883
Prepaid expenses	723	-	-	-	723
<b>TOTAL ASSETS</b>	<u>\$ 63,367</u>	<u>\$ 332,714</u>	<u>\$ 129,245</u>	<u>\$ 20,280</u>	<u>\$ 545,606</u>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 6,000	\$ -	\$ 2,136	\$ 15,011	\$ 23,147
Accrued liabilities	-	9,094	-	-	9,094
Due to other governments	-	-	41,599	-	41,599
Deferred revenue	-	906,289	-	-	906,289
Total liabilities	<u>6,000</u>	<u>915,383</u>	<u>43,735</u>	<u>15,011</u>	<u>980,129</u>
<b>FUND BALANCES (DEFICIT)</b>					
Unreserved, reported in:					
General fund	57,367	-	-	-	57,367
Special revenue funds	-	(582,669)	85,510	5,269	(491,890)
Total fund balances (deficit)	<u>57,367</u>	<u>(582,669)</u>	<u>85,510</u>	<u>5,269</u>	<u>(434,523)</u>
<b>TOTAL LIABILITIES AND</b>					
<b>FUND BALANCES (DEFICIT)</b>	<u>\$ 63,367</u>	<u>\$ 332,714</u>	<u>\$ 129,245</u>	<u>\$ 20,280</u>	<u>\$ 545,606</u>

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

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
June 30, 2007**

<b>Total fund balances (deficit) - governmental funds (page 32)</b>	<b>\$ (434,523)</b>
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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.

21,089

<b>Net assets of governmental activities (page 30)</b>	<b>\$ <u>(413,434)</u></b>
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The accompanying notes are an integral part of the financial statements.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2007**

	<u>General</u> <u>Fund</u>	<u>Institute</u> <u>Fund</u>	<u>Education</u> <u>Fund</u>	<u>Other</u> <u>Nonmajor</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>REVENUES:</b>					
Local sources	\$ 22,518	\$ 535,969	\$ 57,464	\$ 250,667	\$ 866,618
State sources	660,458	-	123,092	10,680	794,230
Federal sources	-	-	68,397	-	68,397
On-behalf payments	332,668	-	-	-	332,668
Total revenues	<u>1,015,644</u>	<u>535,969</u>	<u>248,953</u>	<u>261,347</u>	<u>2,061,913</u>
<b>EXPENDITURES:</b>					
Current:					
Education:					
Salaries and benefits	45,760	490,061	33,255	79,695	648,771
Purchased services	109,466	56,369	149,976	188,295	504,106
Supplies and materials	3,457	5,128	2,417	1,100	12,102
Capital outlay	2,436	5,996	1,967	300	10,699
Payments to other governments	561,389	-	-	-	561,389
State teachers' certification board	-	147,001	-	-	147,001
Administrative:					
On-behalf payments	332,668	-	-	-	332,668
Total expenditures	<u>1,055,176</u>	<u>704,555</u>	<u>187,615</u>	<u>269,390</u>	<u>2,216,736</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(39,532)</u>	<u>(168,586)</u>	<u>61,338</u>	<u>(8,043)</u>	<u>(154,823)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	1,723	-	773	-	2,496
Transfers out	-	-	(2,496)	-	(2,496)
Total other financing sources (uses)	<u>1,723</u>	<u>-</u>	<u>(1,723)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(37,809)	(168,586)	59,615	(8,043)	(154,823)
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<u>95,176</u>	<u>(414,083)</u>	<u>25,895</u>	<u>13,312</u>	<u>(279,700)</u>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ 57,367</u>	<u>\$ (582,669)</u>	<u>\$ 85,510</u>	<u>\$ 5,269</u>	<u>\$ (434,523)</u>

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

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2007**

**Net change in fund balances (page 34)** **\$ (154,823)**

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	\$	9,800	
Depreciation expense		<u>(9,223)</u>	<u>577</u>

**Change in net assets of governmental activities (page 31)** **\$ (154,246)**

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

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

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

The Suburban Cook County Regional Office of Education No. 14 was created to develop and maintain educational services for the school districts in Cook County, Illinois. The Suburban Cook County Regional Office of Education No. 14 services 697 public schools and 143 districts within the county (exclusive of District 299).

The functions of the Suburban Cook County Regional Office of Education No. 14 include, but are not limited to the following:

- Processing teachers' certificates
- Teaching initial and refresher classes for school bus drivers within Suburban Cook County Regional Office of Education No. 14
- Review life/safety requirements for schools in conjunction with the State of Illinois
- Issuing newsletters regarding new Illinois life/safety requirements
- Monitoring compliance with State laws and Department of Education policies and procedures
- Providing directions to teachers and school officials on science, art and teaching methods
- Implementing the State Board of Education's Policy Programs
- Encouraging camaraderie among teachers through the teachers' institute

Suburban Cook County Regional Office of Education No. 14 has no distributive fund since the State of Illinois maintains responsibility for the function of distributing state and federal aid to individual school districts.

The State of Illinois also maintains responsibility for the GED program, therefore, there is no GED fund.

The financial statements of the Suburban Cook County Regional Office of Education No. 14 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The following is a summary of the significant accounting policies:

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2007

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

**Reporting Entity**

For financial reporting purposes, Suburban Cook County Regional Office of Education No. 14 has included all funds, organizations, agencies, boards, commissions and authorities. Suburban Cook County Regional Office of Education No. 14 has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with Suburban Cook County Regional Office of Education No. 14 are such that exclusion would cause Suburban Cook County Regional Office of Education No. 14's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of Suburban Cook County Regional Office of Education No. 14 to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on Suburban Cook County Regional Office of Education No. 14. Suburban Cook County Regional Office of Education No. 14 has no component units which meet the Governmental Accounting Standards Board criteria.

**Basis of Presentation**

**Government-wide Financial Statements** - The Statement of Net Assets and the Statement of Activities report information on all of the activities of Suburban Cook County Regional Office of Education No. 14. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by intergovernmental and local revenues.

The Statement of Net Assets presents Suburban Cook County Regional Office of Education No. 14's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

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

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

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



**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

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

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

**Fund Financial Statements** - Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

Suburban Cook County Regional Office of Education No. 14 reports the following major governmental funds:

The General Fund is the operating fund of the Suburban Cook County Regional Office of Education No. 14. The General Fund accounts for all financial resources except those required to be accounted for in another fund.

The Institute Fund accounts for registration and renewal fees related to teachers' certificates. Funds collected from registration and renewal fees are expended to defray the costs incidental to teachers' institutes, conferences, and workshops. All funds generated remain restricted until expended only on the aforementioned activities.

Education Fund - Accounts for grant funds which are restricted as to their use except for those accounted for in the Supervisory Fund. Restricted grant funds include:

Title II - Eisenhower - Leadership Grant - to account for grant monies received for, and payment of, expenditures incurred in providing workshops.

Substance Abuse and Violence Prevention Grant - to account for monies received for, and payment of, expenditures incurred in facilitating the Substance Abuse and Violence Prevention program.

Truant Alternative Grant - to account for grant monies received for, and payment of, expenditures incurred for after school programs to avoid truant behavior in children.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

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

Cook County Learning Technology Center - to account for monies received for, and payment of, expenditures incurred to support technology applications throughout the Districts served.

Lehman Scholarships - to account for monies received for, and payment of, expenditures incurred in providing scholarships.

Building Survey - to account for monies received for, and payment of, expenditures to conduct a pilot of ISBE web based school facility inventory.

SES Monitoring - to account for monies received for, and payment of, expenditures for the evaluation of applications used for supplemental education services.

Illinois Terrorism Task Force - to account for monies received for, and payment of, expenditures to provide training designed to enhance the capacity of schools to plan for and manage critical incidents.

McKinney Homeless Grant - to account for monies received for, and payment of, expenditures that will coordinate enrollment, attendance, social and educational success of identified students in Suburban Cook County Schools.

Pre-School Monitoring - to account for funds received for, and payment of, expenditures relating to the Preschool for All program.

Other - to account for monies received for, and payment of, expenditures for other education operations.

Suburban Cook County Regional Office of Education No. 14 reports the following nonmajor governmental funds:

Directory - accounts for sales proceeds and costs of producing directories of all school buildings within the Suburban Cook County Regional Office of Education No. 14's jurisdiction.

Bus Driver - accounts for school bus drivers' permit fees which may be expended for school bus drivers' refresher courses.

Supervisory - accounts for State funding used to pay expenses for supervision of school districts within the Suburban Cook County Regional Office of Education No. 14's jurisdiction.

Fingerprinting - accounts for reimbursement from school districts to pay expenses of providing fingerprinting services.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

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

**Measurement Focus and Basis of Accounting**

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

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

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by Suburban Cook County Regional Office of Education No. 14.

Suburban Cook County Regional Office of Education No. 14 records on-behalf payments made by the State to the Teachers' Retirement System as revenue and expenditures.

Suburban Cook County Regional Office of Education No. 14 recognizes teacher certificate registration fees for school years ending after June 30, 2007 as deferred revenue.

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

Under the terms of grant agreements, Suburban Cook County Regional Office of Education No. 14 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is Suburban Cook County Regional Office of Education No. 14's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

Suburban Cook County Regional Office of Education No. 14 maintains its financial records on the cash basis. The financial statements of Suburban Cook County Regional Office of Education No. 14 are prepared by making memorandum adjusting entries to the cash basis financial records.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

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

**Assets, Liabilities, and Fund Equity**

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

Cash and cash equivalents - The cash and cash equivalent balances of Suburban Cook County Regional Office of Education No. 14 are valued at cost.

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

Capital assets - Capital assets, which include furniture and equipment, are reported in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by Suburban Cook County Regional Office of Education No. 14 as assets with an initial, individual cost in excess of \$500 and estimated useful lives in excess of two years. Capital assets are depreciated using the straight line method over 5-10 years.

Deferred revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the revenue is not earned until a future period. Deferred revenue consists of teacher certificate registration fees for school years ending after June 30, 2007.

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

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

SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007

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

**Budgets and Budgetary Accounting**

The budgetary comparison and related disclosures are reported as supplementary information.

Suburban Cook County Regional Office of Education No. 14 did not formally adopt a budget for the year ended June 30, 2007 and is not legally required to do so. The Illinois State Board of Education requires budgets for certain State programs. These budgets were used to prepare statements of revenues, expenditures, and changes in fund balance - budget and actual for the following programs: General Fund, Truant Alternative Grant, and McKinney Homeless Grant.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

The deposit and investment of monies is governed by the provisions of the Illinois Compiled Statutes.

**Deposits**

At June 30, 2007, the carrying amount of the deposits was \$544,883 (net of overdrafts) and the bank balance was \$621,081.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, Suburban Cook County Regional Office of Education No. 14's deposits may not be returned. **Error! Bookmark not defined.** does not have a deposit policy for custodial credit risk. As of **Error! Bookmark not defined.**, all of **Error! Bookmark not defined.**'s deposits were either covered by FDIC insurance or covered by collateral held by the financial institution in **Error! Bookmark not defined.**'s name.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

**NOTE 3 - CAPITAL ASSETS**

Capital assets activity for the year ended **Error! Bookmark not defined.** is as follows:

	<u>Balance</u> June 30, <u>2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> June 30, <u>2007</u>
Governmental activities:				
Furniture and equipment	\$ 59,784	\$ 9,800	\$ -	\$ 69,584
Less accumulated depreciation	<u>39,272</u>	<u>9,223</u>	<u>-</u>	<u>48,495</u>
<b>Total capital assets, net</b>	<u>\$ 20,512</u>	<u>\$ 577</u>	<u>\$ -</u>	<u>\$ 21,089</u>

Depreciation expense was charged as follows:

Governmental activities:

Education:

Depreciation expense \$ 9,223

**NOTE 4 - DUE TO OTHER GOVERNMENTS**

The detail of balances that are due to other governments at June 30, 2007 is as follows:

Education Fund

McKinney Homeless Grant

Due to Regional Office of Education No. 31 \$ 41,599

**NOTE 5 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

Generally accepted accounting principles require disclosure as part of the combined financial statements of certain information concerning individual funds as follows:

The following funds had deficit fund balances at June 30, 2007:

Institute Fund	\$ (582,669)
Education Fund	
SES Monitoring	(2,965)
Other Nonmajor Funds	
Bus Driver	(6,735)
Supervisory	(2,071)

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

**NOTE 6 - ON-BEHALF PAYMENTS**

Salaries of the Regional Superintendent and his two assistants are paid by the State of Illinois. The State of Illinois and the respective employees also pay pension plan contributions associated with these salaries. The Suburban Cook County Regional Office of Education No. 14 pays all other salaries.

On-behalf payments are as follows:

Regional Superintendent - salary	\$ 90,712
Regional Superintendent - benefits	12,949
Assistant Regional Superintendents - salaries	211,473
Assistant Regional Superintendents - benefits	<u>17,534</u>
<b>Total on-behalf payments</b>	<b><u>\$ 332,668</u></b>

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

**NOTE 7 - TRANSFERS**

<u>Fund</u>	<u>In</u>	<u>Out</u>
Education Fund		
Title II - Eisenhower - Leadership Grant	\$ 444	\$ -
Substance Abuse and Violence Prevention Grant	-	773
Lehman Scholarships	60	-
Building Survey	94	-
McKinney Homeless Grant	-	1,723
Other	175	-
General Fund	<u>1,723</u>	<u>-</u>
	<b><u>\$ 2,496</u></b>	<b><u>\$ 2,496</u></b>

**NOTE 8 - RISK MANAGEMENT**

Suburban Cook County Regional Office of Education No. 14 is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. Suburban Cook County Regional Office of Education No. 14 assumes liability for any deductibles and claims in excess of coverage limitations. There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the year.

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

**NOTE 9 - NEW PRONOUNCEMENT**

In 2007, Suburban Cook County Regional Office of Education No. 14 adopted Governmental Accounting Standards Board (GASB) Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. The Regional Office of Education implemented this standard during the current year, however; it did not have a significant impact on the financial statements.

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



**OTHER SUPPLEMENTAL INFORMATION**

SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Local sources	\$ -	\$ -	\$ 22,518	\$ 22,518
State sources	660,458	660,458	660,458	-
On-behalf payments	-	-	332,668	332,668
Total revenues	<u>660,458</u>	<u>660,458</u>	<u>1,015,644</u>	<u>355,186</u>
<b>EXPENDITURES:</b>				
Current:				
Education:				
Salaries and benefits	33,700	33,700	45,760	(12,060)
Purchased services	60,369	60,369	109,466	(49,097)
Supplies and materials	3,000	3,000	3,457	(457)
Capital outlay	2,000	2,000	2,436	(436)
Payments to other governments	561,389	561,389	561,389	-
On-behalf payments	-	-	332,668	(332,668)
Total expenditures	<u>660,458</u>	<u>660,458</u>	<u>1,055,176</u>	<u>(394,718)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(39,532)</u>	<u>(39,532)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	1,723	1,723
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(37,809)</u>	<u>\$ (37,809)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>95,176</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 57,367</u>	

SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 June 30, 2007

	Title II - Eisenhower - Leadership <u>Grant</u>	Substance Abuse and Violence Prevention <u>Grant</u>	Truant Alternative <u>Grant</u>	Cook County Learning Technology <u>Center</u>
<b>ASSETS</b>				
Cash (overdraft) and cash equivalents	\$ -	\$ 1,001	\$ 77,263	\$ 3,000
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 1,136	\$ -
Due to other governments	-	-	-	-
Total liabilities	-	-	1,136	-
<b>FUND BALANCES (DEFICIT)</b>				
Fund balances (deficit), unreserved and undesignated	-	1,001	76,127	3,000
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 1,001</b>	<b>\$ 77,263</b>	<b>\$ 3,000</b>

SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 June 30, 2007

SCHEDULE 2  
 (CONTINUED)

	<u>Lehman Scholarships</u>	<u>Building Survey</u>	<u>SES Monitoring</u>	<u>Illinois Terrorism Task Force</u>
<b>ASSETS</b>				
Cash (overdraft) and cash equivalents	\$ -	\$ -	\$ (2,965)	\$ 3,117
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-
Total liabilities	-	-	-	-
<b>FUND BALANCES (DEFICIT)</b>				
Fund balances (deficit), unreserved and undesignated	-	-	(2,965)	3,117
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,965)</u>	<u>\$ 3,117</u>

SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2007

	<b>McKinney Homeless <u>Grant</u></b>	<b>Pre-School Monitoring</b>	<b><u>Other</u></b>	<b><u>Total</u></b>
<b>ASSETS</b>				
Cash (overdraft) and cash equivalents	\$ 42,599	\$ 5,230	\$ -	\$ 129,245
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 1,000	\$ -	\$ -	\$ 2,136
Due to other governments	41,599	-	-	41,599
Total liabilities	42,599	-	-	43,735
<b>FUND BALANCES (DEFICIT)</b>				
Fund balances (deficit), unreserved and undesignated	-	5,230	-	85,510
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<b>\$ 42,599</b>	<b>\$ 5,230</b>	<b>\$ -</b>	<b>\$ 129,245</b>

SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2007

	Title II - Eisenhower - Leadership Grant	Substance Abuse and Violence Prevention Grant	Truant Alternative Grant	Cook County Learning Technology Center
<b>REVENUES:</b>				
Local sources	\$ -	\$ -	\$ 156	\$ -
State sources	-	-	123,092	-
Federal sources	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>123,248</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
Education:				
Salaries and benefits	-	-	22,596	-
Purchased services	-	9,699	24,481	-
Supplies and materials	-	-	-	-
Capital outlay	-	-	1,068	-
Total expenditures	<u>-</u>	<u>9,699</u>	<u>48,145</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>(9,699)</u>	<u>75,103</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	444	-	-	-
Transfers out	-	(773)	-	-
Total other financing sources (uses)	<u>444</u>	<u>(773)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES (DEFICIT)</b>	444	(10,472)	75,103	-
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<u>(444)</u>	<u>11,473</u>	<u>1,024</u>	<u>3,000</u>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ -</u>	<u>\$ 1,001</u>	<u>\$ 76,127</u>	<u>\$ 3,000</u>

SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
Year Ended June 30, 2007

	<u>Lehman Scholarships</u>	<u>Building Survey</u>	<u>SES Monitoring</u>	<u>Illinois Terrorism Task Force</u>
<b>REVENUES:</b>				
Local sources	\$ 1,906	\$ -	\$ 12,500	\$ 8,552
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	<u>1,906</u>	<u>-</u>	<u>12,500</u>	<u>8,552</u>
<b>EXPENDITURES:</b>				
Current:				
Education:				
Salaries and benefits	-	-	-	-
Purchased services	14,808	-	16,667	2,492
Supplies and materials	10	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>14,818</u>	<u>-</u>	<u>16,667</u>	<u>2,492</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(12,912)</u>	<u>-</u>	<u>(4,167)</u>	<u>6,060</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	60	94	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>60</u>	<u>94</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES (DEFICIT)</b>	(12,852)	94	(4,167)	6,060
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<u>12,852</u>	<u>(94)</u>	<u>1,202</u>	<u>(2,943)</u>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,965)</u>	<u>\$ 3,117</u>

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
 Year Ended June 30, 2007

	<u>McKinney Homeless Grant</u>	<u>Pre-School Monitoring</u>	<u>Other</u>	<u>Total</u>
<b>REVENUES:</b>				
Local sources	\$ -	\$ 34,350	\$ -	\$ 57,464
State sources	-	-	-	123,092
Federal sources	<u>68,397</u>	<u>-</u>	<u>-</u>	<u>68,397</u>
Total revenues	<u>68,397</u>	<u>34,350</u>	<u>-</u>	<u>248,953</u>
<b>EXPENDITURES:</b>				
Current:				
Education:				
Salaries and benefits	10,659	-	-	33,255
Purchased services	53,640	28,189	-	149,976
Supplies and materials	2,375	32	-	2,417
Capital outlay	<u>-</u>	<u>899</u>	<u>-</u>	<u>1,967</u>
Total expenditures	<u>66,674</u>	<u>29,120</u>	<u>-</u>	<u>187,615</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,723</u>	<u>5,230</u>	<u>-</u>	<u>61,338</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	175	773
Transfers out	<u>(1,723)</u>	<u>-</u>	<u>-</u>	<u>(2,496)</u>
Total other financing sources (uses)	<u>(1,723)</u>	<u>-</u>	<u>175</u>	<u>(1,723)</u>
<b>NET CHANGE IN FUND BALANCES (DEFICIT)</b>	-	5,230	175	59,615
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>(175)</u>	<u>25,895</u>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ -</u>	<u>\$ 5,230</u>	<u>\$ -</u>	<u>\$ 85,510</u>



SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2007

	Truant Alternative Grant				McKinney Homeless Grant				Total			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>												
Local sources	\$ -	\$ -	\$ 156	\$ 156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156	\$ 156
State sources	123,092	123,092	123,092	-	-	-	-	-	123,092	123,092	123,092	-
Federal sources	-	-	-	-	109,996	109,996	68,397	(41,599)	109,996	109,996	68,397	(41,599)
Total revenues	123,092	123,092	123,248	156	109,996	109,996	68,397	(41,599)	233,088	233,088	191,645	(41,443)
<b>EXPENDITURES:</b>												
Current												
Education:												
Salaries and benefits	13,906	24,400	22,596	1,804	18,365	18,365	10,659	7,706	32,271	42,765	33,255	9,510
Purchased services	80,305	86,692	24,481	62,211	84,635	84,635	53,640	30,995	164,940	171,327	78,121	93,206
Supplies and materials	28,881	12,000	-	12,000	6,996	6,996	2,375	4,621	35,877	18,996	2,375	16,621
Capital outlay	-	-	1,068	(1,068)	-	-	-	-	-	-	1,068	(1,068)
Total expenditures	123,092	123,092	48,145	74,947	109,996	109,996	66,674	43,322	233,088	233,088	114,819	118,269
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	75,103	75,103	-	-	1,723	1,723	-	-	76,826	76,826
<b>OTHER FINANCING USES:</b>												
Transfers out	-	-	-	-	-	-	(1,723)	1,723	-	-	(1,723)	(1,723)
<b>NET CHANGE IN FUND BALANCES</b>	\$ -	\$ -	75,103	\$ 75,103	\$ -	\$ -	-	\$ -	\$ -	\$ -	75,103	\$ 75,103
<b>FUND BALANCES, BEGINNING OF YEAR</b>			1,024				-				1,024	
<b>FUND BALANCES, END OF YEAR</b>			\$ 76,127				\$ -				\$ 76,127	

SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 June 30, 2007

	<u>Directory</u>	<u>Bus Driver</u>	<u>Supervisory</u>	<u>Fingerprinting</u>	<u>Total</u>
<b>ASSETS</b>					
Cash (overdraft) and cash equivalents	\$ 3,101	\$ (1,285)	\$ (2,071)	\$ 20,535	\$ 20,280
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 5,450	\$ -	\$ 9,561	\$ 15,011
<b>FUND BALANCES (DEFICIT)</b>					
Unreserved	<u>3,101</u>	<u>(6,735)</u>	<u>(2,071)</u>	<u>10,974</u>	<u>5,269</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<u>\$ 3,101</u>	<u>\$ (1,285)</u>	<u>\$ (2,071)</u>	<u>\$ 20,535</u>	<u>\$ 20,280</u>

**SUBURBAN COOK COUNTY REGIONAL OFFICE OF EDUCATION NO. 14  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2007**

	<u>Directory</u>	<u>Bus Driver</u>	<u>Supervisory</u>	<u>Fingerprinting</u>	<u>Total</u>
<b>REVENUES:</b>					
Local sources	\$ 36,111	\$ 62,074	\$ -	\$ 152,482	\$ 250,667
State sources	-	9,680	1,000	-	10,680
Total revenues	<u>36,111</u>	<u>71,754</u>	<u>1,000</u>	<u>152,482</u>	<u>261,347</u>
<b>EXPENDITURES:</b>					
Current:					
Education:					
Salaries and benefits	32,646	33,871	-	13,178	79,695
Purchased services	8,486	46,471	784	132,554	188,295
Supplies and materials	124	95	131	750	1,100
Capital outlay	-	-	-	300	300
Total expenditures	<u>41,256</u>	<u>80,437</u>	<u>915</u>	<u>146,782</u>	<u>269,390</u>
<b>NET CHANGE IN FUND BALANCES (DEFICIT)</b>	(5,145)	(8,683)	85	5,700	(8,043)
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<u>8,246</u>	<u>1,948</u>	<u>(2,156)</u>	<u>5,274</u>	<u>13,312</u>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ 3,101</u>	<u>\$ (6,735)</u>	<u>\$ (2,071)</u>	<u>\$ 10,974</u>	<u>\$ 5,269</u>