

State of Illinois
DEWITT, LIVINGSTON, AND
MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
FINANCIAL AUDIT
(In Accordance with the Single Audit Act
and OMB Circular A-133)
For the Year Ended June 30, 2009

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

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

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REGIONAL OFFICE OF EDUCATION #17**

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

OFFICIALS

Regional Superintendent
(During the Audit Period and Current)

Mr. Mark Jontry

Assistant Regional Superintendent
(During the Audit Period and Current)

Mr. Josh Olsen

Office is located at:

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

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

COMPLIANCE REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

Details of audit findings are included in a separate report section.

An additional 2 matters which are less than a significant deficiency or material weakness but more than inconsequential, have been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, these issues may have been included as immaterial findings in the auditor's 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)			
09-1	12	Controls Over Financial Statement Preparation	Material Weakness

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

None

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

None

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

None

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference held orally on April 5, 2010. Attending were Honorable Mr. Mark Jontry, Regional Superintendent and Jill Van Roekel, auditor with Winkel, Parker & Foster, CPA PC. Responses to the recommendations were provided by Honorable Mr. Mark Jontry, Regional Superintendent, on April 8, 2010.

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

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17 was performed by Winkel, Parker & Foster, CPA PC.

Based on their audit, the auditors expressed an unqualified opinion on the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic financial statements.

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17, as of and for the year ended June 30, 2009, which collectively comprise the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2010 on our consideration of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 17 through 31 and 66 are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

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

Walt, Park & Foster, CPA PC

Clinton, Iowa
April 23, 2010



**Winkel, Parker
& Foster, CPA PC**

Certified Public Accountants & Consultants

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17, as of and for the year ended June 30, 2009, which collectively comprise the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic financial statements and have issued our report thereon dated April 23, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control 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 and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in finding 09-1 in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain matters which we have reported to management of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17 in a separate letter dated April 23, 2010.

Regional Office of Education # 17's response to the finding identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Regional Office of Education # 17's response and, accordingly, we express no opinion on it.

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

Walt, Park & Foster, CPA PC

Clinton, Iowa
April 23, 2010



**Winkel, Parker
& Foster, CPA PC**

Certified Public Accountants & Consultants

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the compliance of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The DeWitt, Livingston, and McLean Counties Regional Office of Education #17's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's management. Our responsibility is to express an opinion on the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's compliance based on our audit.

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

In our opinion, the DeWitt, Livingston, and McLean Counties Regional Office of Education #17 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

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

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

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

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

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

Wright, Park & Foster, CPA PC

Clinton, Iowa
April 23, 2010

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009**

Section II: Financial Statement Findings:

**FINDING NO. 09-1 - Controls Over Financial Statement Preparation (Repeat from 2008-
No. 08-1 and 2007 - No. 07-1)**

Criteria/Specific Requirement:

The Regional Office of Education #17 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Regional Office of Education #17 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements 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:

- Numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.

Effect:

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

Cause:

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009**

Section II: Financial Statement Findings:

**FINDING NO. 09-1 - Controls Over Financial Statement Preparation (Repeat from 2008-
No. 08-1 and 2007 - No. 07-1) (Continued)**

Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #17 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

Management's Response:

The Regional Office of Education #17 understands the nature of this finding and realizes that this circumstance is not unusual in an organization this size. The Regional Office of Education will continue to seek professional accounting expertise.

This office will insure that staff with financial oversight is adequately trained to use the full range of current financial technology. Bookkeepers shall attend training conducted by expert consultant(s) in the preparation of financial statements as well as trainings conducted by IARSS consultants.

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

Section III: Federal Award Findings:

INSTANCES OF NONCOMPLIANCE:

None

SIGNIFICANT DEFICIENCIES:

None

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ended June 30, 2009**

**FINDING NO. 09-1 - Controls Over Financial Statement Preparation (Repeat from 2008-
No. 08-1 and 2007 - No. 07-1) (Continued)**

Condition:

The Regional Office of Education #17 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements 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:

- Numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.

Plan:

The Regional Office of Education #17 understands the nature of this finding and realizes that this circumstance is not unusual in an organization this size. The Regional Office of Education will continue to seek professional accounting expertise.

This office will insure that staff with financial oversight is adequately trained to use the full range of current financial technology. Bookkeepers shall attend training conducted by expert consultant(s) in the preparation of financial statements as well as trainings conducted by IARSS consultants.

Anticipated Completion Date:

Immediately

Contact Person Responsible for Corrective Action:

Honorable Mark Jontry, Regional Superintendent

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2009

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
08-1	Controls Over Financial Statement Preparation	Repeated

MANAGEMENT'S DISCUSSION AND ANALYSIS

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2009. We encourage readers to consider this information in conjunction with DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial statements, which follow.

2009 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$856,321 in 2008 to \$971,806 in 2009 due to increased funding from counties. The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 showed an increase in General Fund balance from \$226,384 in fiscal year 2008 to \$318,698 in fiscal year 2009 as a result of this factor.
- The Institute Fund's fund balance decreased from \$104,934 in 2008 to \$72,125 in 2009. The main reason for the decrease is increased professional development activities and fingerprinting services.
- The Education Fund's fund balance increased from \$1,084,636 in 2008 to \$1,197,707 in 2009. The Education Fund is made up of grants that the Regional Office receives and these can vary greatly from year to year as some programs have decreased funding or are discontinued while others see a funding increase.

USING THIS ANNUAL REPORT

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of DeWitt, Livingston, and McLean Counties Regional Office of Education #17 as a whole and present an overall view of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's finances.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report DeWitt, Livingston, and McLean Counties Regional Office of Education #17's operations in more detail than the government-wide statements by providing information about the most significant funds.

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

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

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

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

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

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

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

Government-wide Financial Statements

The government-wide financial statements report information about DeWitt, Livingston, and McLean Counties Regional Office of Education #17 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets and how they have changed. Net assets - the difference between DeWitt, Livingston, and McLean Counties Regional Office of Education #17's assets and liabilities - are one way to measure DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial health or financial position. Over time, increases or decreases in DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets are an indicator of whether financial position is improving or deteriorating. To assess DeWitt, Livingston, and McLean Counties Regional Office of Education #17's overall health, additional non-financial factors, such as changes in DeWitt, Livingston, and McLean Counties Regional Office of Education #17's grant funding and the condition of facilities need to be considered.

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

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

Fund Financial Statements

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Some funds are required by state law. DeWitt, Livingston, and McLean Counties Regional Office of Education #17 establishes other funds to control and manage money for particular purposes, such as accounting for special revenue funds, or to show that it is properly using certain revenues, such as federal grants.

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

1) *Governmental funds*: Most of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance DeWitt, Livingston, and McLean Counties Regional Office of Education #17's programs.

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

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

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

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

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

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

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. DeWitt, Livingston, and McLean Counties Regional Office of Education #17 excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of DeWitt, Livingston, and McLean Counties Regional Office of Education #17, assets exceeded liabilities by \$2,338,563 as of June 30, 2009.

A portion of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets (24%) reflects its investment in capital assets (e.g., furniture and equipment), less any related debt used to acquire those assets that are still outstanding. Although DeWitt, Livingston, and McLean Counties Regional Office of Education #17's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

The following table presents a summary of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets for the fiscal years ended June 30, 2009 and 2008.

<u>2009</u>	Governmental Activities	Business- Type Activities	Total
Current assets	\$ 2,192,234	\$ 74,003	\$ 2,266,237
Capital assets, net of accumulated depreciation	<u>569,914</u>	<u>-</u>	<u>569,914</u>
Total assets	<u>2,762,148</u>	<u>74,003</u>	<u>2,836,151</u>
Current liabilities	<u>489,162</u>	<u>8,426</u>	<u>497,588</u>
Net assets			
Invested in capital assets, net of related debt	569,914	-	569,914
Unrestricted	1,630,947	65,577	1,696,524
Restricted for teacher professional development	<u>72,125</u>	<u>-</u>	<u>72,125</u>
Total net assets	<u>\$ 2,272,986</u>	<u>\$ 65,577</u>	<u>\$ 2,338,563</u>

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

<u>2008</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Current assets	\$ 1,479,393	\$ 60,814	\$ 1,540,207
Capital assets, net of accumulated depreciation	<u>552,923</u>	<u>-</u>	<u>552,923</u>
Total assets	<u>2,032,316</u>	<u>60,814</u>	<u>2,093,130</u>
Current liabilities	<u>43,702</u>	<u>-</u>	<u>43,702</u>
Net assets			
Invested in capital assets, net of related debt	552,923	-	552,923
Unrestricted	1,330,757	60,814	1,391,571
Restricted for teacher professional development	<u>104,934</u>	<u>-</u>	<u>104,934</u>
Total net assets	<u>\$ 1,988,614</u>	<u>\$ 60,814</u>	<u>\$ 2,049,428</u>

The largest portion of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets is unrestricted. Unrestricted net assets are the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements. Unrestricted net assets were \$1,696,524 for the year ended June 30, 2009. In addition, net assets related to the Institute Fund are considered restricted for teacher professional development.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Changes in net assets. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's total revenue for the fiscal year ended June 30, 2009 was \$6,870,640. The total cost of all programs and services was \$6,581,505. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2009 and 2008.

<u>2009</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ -	\$ 97,715	\$ 97,715
Operating grants and contributions	3,533,280	-	3,533,280
General revenues			
Local sources	2,736,707	-	2,736,707
State sources	153,464	-	153,464
On-behalf payments	<u>349,474</u>	<u>-</u>	<u>349,474</u>
Total revenues	<u>6,772,925</u>	<u>97,715</u>	<u>6,870,640</u>
Expenses:			
Instructional services			
Salaries and benefits	3,007,633	37,941	3,045,574
Purchased services	2,748,119	28,427	2,776,546
Supplies and materials	209,733	12,232	221,965
Payments to other governments	102,899	-	102,899
Other objects	1,159	-	1,159
Depreciation and disposition losses	67,442	-	67,442
Capital outlay	2,094	14,352	16,446
Administrative			
On-behalf payments	<u>349,474</u>	<u>-</u>	<u>349,474</u>
Total expenses	<u>6,488,553</u>	<u>92,952</u>	<u>6,581,505</u>
Change in net assets	<u>\$ 284,372</u>	<u>\$ 4,763</u>	<u>\$ 289,135</u>

Operating grants and contributions account for 51% of the total revenue. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's expenses primarily relate to instructional services, which account for 95% of the total expenses.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

<u>2008</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ -	\$ 93,433	\$ 93,433
Operating grants and contributions	2,559,515	-	2,559,515
General revenues			
Local sources	2,679,469	-	2,679,469
State sources	4,177	-	4,177
On-behalf payments	<u>357,053</u>	<u>-</u>	<u>357,053</u>
Total revenues	<u>5,600,214</u>	<u>93,433</u>	<u>5,693,647</u>
Expenses:			
Instructional services			
Salaries and benefits	2,727,460	19,488	2,746,948
Purchased services	2,037,730	18,408	2,056,138
Supplies and materials	219,259	16,962	236,221
Payments to other governments	111,741	-	111,741
Depreciation and disposition losses	79,664	-	79,664
Capital outlay	3,904	-	3,904
Administrative			
On-behalf payments	<u>357,053</u>	<u>-</u>	<u>357,053</u>
Total expenses	<u>5,536,811</u>	<u>54,858</u>	<u>5,591,669</u>
Change in net assets	<u>\$ 63,403</u>	<u>\$ 38,575</u>	<u>\$ 101,978</u>

Operating grants and contributions account for 45% of the total revenue. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's expenses primarily relate to instructional services, which account for 94% of the total expenses.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Governmental Activities

Revenues for governmental activities were \$6,772,925 and \$5,600,214 and expenses were \$6,488,553 and \$5,536,811 for 2009 and 2008, respectively.

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

<u>2009</u>	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instructional services:		
Salaries and benefits	\$ 3,007,633	\$ (1,281,400)
Purchased services	2,748,119	(1,170,834)
Supplies and materials	209,733	(89,357)
Payments to other governments	102,899	(43,840)
Other objects	1,159	(494)
Depreciation and disposition losses	67,442	(67,442)
Capital outlay	2,094	47,568
Administrative:		
On-behalf payments	<u>349,474</u>	<u>(349,474)</u>
Total expenses	<u>\$ 6,488,553</u>	<u>\$ (2,955,273)</u>
<u>2008</u>	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instructional services:		
Salaries and benefits	\$ 2,727,460	\$ (1,393,843)
Purchased services	2,037,730	(1,041,363)
Supplies and materials	219,259	(112,050)
Payments to other governments	111,741	(57,104)
Depreciation and disposition losses	79,664	(79,664)
Capital outlay	3,904	63,781
Administrative:		
On-behalf payments	<u>357,053</u>	<u>(357,053)</u>
Total expenses	<u>\$ 5,536,811</u>	<u>\$ (2,977,296)</u>

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

The cost of all governmental activities was \$6,488,553 and \$5,536,811 for 2009 and 2008, respectively.

Federal and state governments subsidized certain governmental activities with grants and contributions of \$3,533,280 and \$2,559,515 for 2009 and 2008, respectively.

Net cost of governmental activities (\$2,955,273), was financed by general revenues, which are made up of primarily local and state sources (\$2,890,171) and on-behalf payments (\$349,474) for 2009.

Net cost of governmental activities (\$2,977,296), was financed by general revenues, which are made up of primarily local and state sources (\$2,683,646) and on-behalf payments (\$357,053) for 2008.

Business-Type Activities

Revenues for business-type activities were \$97,715 and \$93,433 and expenses were \$92,952 and \$54,858 for 2009 and 2008, respectively. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's business-type activities include the Inservice Fund. Revenues of these activities were comprised of charges for service.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of DeWitt, Livingston, and McLean Counties Regional Office of Education #17 as a whole is reflected in its governmental funds, as well. As DeWitt, Livingston, and McLean Counties Regional Office of Education #17 completed the year, its governmental funds reported a combined fund balance of \$1,630,316, above last year's ending fund balance of \$1,435,691.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Governmental Fund Highlights

The General Fund's fund balance increased from \$226,384 in 2008 to \$318,698 in 2009. The main reason for the increase is due to additional funding received in the current year.

The Institute Fund's fund balance decreased from \$104,934 in 2008 to \$72,125 in 2009. The main reason for the decrease is due to increased professional development activities and workshops, as well as fingerprinting services.

The Education Fund's fund balance increased from \$1,084,636 in 2008 to \$1,197,707 in 2009. The Education Fund is made up of grants that the Regional Office receives and these can vary greatly from year to year as some programs are discontinued while others see a funding increase. Over the various programs that make up the fund, total revenues exceeded expenditures by \$113,071 thus increasing the fiscal year 2008 fund balance from \$1,084,636 to \$1,197,707 in fiscal year 2009. The grants associated with the Illinois Violence Prevention Authority, Chestnut, Regional Safe Schools, Continuum of Care, Regional Alternative School, Illinois Reading Grant, Standard Aligned Classroom, State Farm Grants, EIU Cohort, and Alexander Workshop activities have increased this year, increasing the fund balance.

Proprietary Fund Highlights

Inservice Fund net assets increased from \$60,814 at June 30, 2008 to \$65,577 at June 30, 2009. The Inservice Fund's assets are primarily made up of funds the Regional Office receives and expends in providing courses and seminars for teachers to aid in their professional development.

The Inservice Fund revenues and expenditures have increased from fiscal year 2008 to fiscal year 2009 due to an increase in professional development activities. Additionally, the Regional Office has implemented a web page primarily devoted to professional development activities for teachers and administrators.

BUDGETARY HIGHLIGHTS

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

CAPITAL ASSETS

As of June 30, 2009, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 had invested \$569,914 in capital assets, including furniture and equipment. This amount was \$16,991 higher when compared to 2008. Total depreciation expense and disposition loss for the year was \$67,442.

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2009.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Furniture and equipment	\$ 189,309	\$ -	\$ 189,309
Leasehold improvements	380,605	-	380,605
	<u>\$ 569,914</u>	<u>\$ -</u>	<u>\$ 569,914</u>

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2008.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Furniture and equipment	\$ 164,506	\$ -	\$ 164,506
Leasehold improvements	388,417	-	388,417
	<u>\$ 552,923</u>	<u>\$ -</u>	<u>\$ 552,923</u>

Additional information on DeWitt, Livingston, and McLean Counties Regional Office of Education #17's capital assets can be found in Note 7 on page 61 of this report.

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

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

Many economic factors are poised to negatively impact the financial health of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17 in the near future. Health insurance costs are expected to increase. The depressed economic market will lead to an increase in employer contributions to IMRF and other benefit programs. State Aid payments for the Regional Alternative School will be delayed; the potential exists that some payments will not be made at all. These factors contribute to an uncertain economic future for the DeWitt, Livingston, and McLean Counties Regional Office of Education #17.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

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

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

BASIC FINANCIAL STATEMENTS

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF NET ASSETS
June 30, 2009

	Primary Government		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,796,507	\$ 74,003	\$ 1,870,510
Due from other governments	395,727	-	395,727
Total current assets	2,192,234	74,003	2,266,237
Non-current assets:			
Capital assets, being depreciated, net	569,914	-	569,914
Total assets	2,762,148	74,003	2,836,151
LIABILITIES			
Current liabilities:			
Accounts payable	367,201	1,312	368,513
Accrued expenses	59,180	7,114	66,294
Due to other governments	13,924	-	13,924
Deferred revenue	48,857	-	48,857
Total current liabilities	489,162	8,426	497,588
NET ASSETS			
Investment in capital assets	569,914	-	569,914
Unrestricted	1,630,947	65,577	1,696,524
Restricted for teacher professional development	72,125	-	72,125
Total net assets	\$ 2,272,986	\$ 65,577	\$ 2,338,563

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

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 STATEMENT OF ACTIVITIES
 Year Ended June 30, 2009

EXHIBIT B

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	Primary Government		
				<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary government:						
Governmental activities:						
Instructional services:						
Salaries	\$ 2,520,250	\$ -	\$ 1,446,499	\$ (1,073,751)	\$ -	\$ (1,073,751)
Employee benefits	487,383	-	279,734	(207,649)	-	(207,649)
Purchased services	2,748,119	-	1,577,285	(1,170,834)	-	(1,170,834)
Supplies and materials	209,733	-	120,376	(89,357)	-	(89,357)
Payments to other governments	102,899	-	59,059	(43,840)	-	(43,840)
Other objects	1,159	-	665	(494)	-	(494)
Depreciation	67,442	-	-	(67,442)	-	(67,442)
Capital outlay	2,094	-	49,662	47,568	-	47,568
Administrative:						
On-behalf payments	349,474	-	-	(349,474)	-	(349,474)
Total governmental activities	6,488,553	-	3,533,280	(2,955,273)	-	(2,955,273)
Business-type activities:						
Registration fees	92,952	97,715	-	-	4,763	4,763
Total primary government	\$ 6,581,505	\$ 97,715	\$ 3,533,280	(2,955,273)	4,763	(2,950,510)
General revenues:						
Local sources				2,736,707	-	2,736,707
State sources				153,464	-	153,464
On-behalf payments				349,474	-	349,474
Total general revenues				3,239,645	-	3,239,645
CHANGES IN NET ASSETS				284,372	4,763	289,135
NET ASSETS, BEGINNING OF YEAR				1,988,614	60,814	2,049,428
NET ASSETS, END OF YEAR				\$ 2,272,986	\$ 65,577	\$ 2,338,563

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

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 June 30, 2009

	Special Revenue				
	General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 281,142	\$ 74,825	\$ 1,398,510	\$ 42,030	\$ 1,796,507
Due from other governments	46,016	-	349,711	-	395,727
TOTAL ASSETS	\$ 327,158	\$ 74,825	\$ 1,748,221	\$ 42,030	\$ 2,192,234
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,765	\$ 2,700	\$ 362,492	\$ 244	\$ 367,201
Accrued expenses	6,695	-	52,485	-	59,180
Due to other governments	-	-	13,924	-	13,924
Deferred revenue	-	-	121,613	-	121,613
Total liabilities	8,460	2,700	550,514	244	561,918
FUND BALANCES					
Unreserved, reported in:					
General fund	318,698	-	-	-	318,698
Special revenue funds	-	72,125	1,197,707	41,786	1,311,618
Total fund balances	318,698	72,125	1,197,707	41,786	1,630,316
TOTAL LIABILITIES AND FUND BALANCES	\$ 327,158	\$ 74,825	\$ 1,748,221	\$ 42,030	\$ 2,192,234

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

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 June 30, 2009

Total fund balances of governmental funds (page 35) \$ 1,630,316

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. 569,914

Receivables not collected within 60 days of year end are not
 available soon enough to pay for the current period's
 expenditures and, therefore, are deferred in the funds. 72,756

Net assets of governmental activities (page 33) \$ 2,272,986

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

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 Year Ended June 30, 2009

	Special Revenue				Total Governmental Funds
	General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	
REVENUES:					
Local sources	\$ 511,895	\$ 49,665	\$ 2,128,407	\$ 46,740	\$ 2,736,707
State sources	110,437	-	2,534,044	6,020	2,650,501
Federal sources	-	-	963,487	-	963,487
On-behalf payments	349,474	-	-	-	349,474
Total revenues	<u>971,806</u>	<u>49,665</u>	<u>5,625,938</u>	<u>52,760</u>	<u>6,700,169</u>
EXPENDITURES:					
Instructional services:					
Salaries	251,650	-	2,267,182	1,418	2,520,250
Employee benefits	74,424	-	412,850	109	487,383
Purchased services	151,635	54,346	2,531,934	10,204	2,748,119
Supplies and materials	7,586	3,257	185,470	13,420	209,733
Payments to other governments	-	24,233	78,546	120	102,899
Other objects	-	-	1,159	-	1,159
On-behalf payments	349,474	-	-	-	349,474
Capital outlay	44,723	638	35,726	5,440	86,527
Total expenditures	<u>879,492</u>	<u>82,474</u>	<u>5,512,867</u>	<u>30,711</u>	<u>6,505,544</u>
NET CHANGE IN FUND BALANCES	92,314	(32,809)	113,071	22,049	194,625
FUND BALANCE, BEGINNING OF YEAR	<u>226,384</u>	<u>104,934</u>	<u>1,084,636</u>	<u>19,737</u>	<u>1,435,691</u>
FUND BALANCE, END OF YEAR	<u>\$ 318,698</u>	<u>\$ 72,125</u>	<u>\$ 1,197,707</u>	<u>\$ 41,786</u>	<u>\$ 1,630,316</u>

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2009**

Net change in fund balances (page 37) \$ 194,625

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	\$ 84,433	
Depreciation	<u>(67,442)</u>	16,991

Some receivables will not be collected for several months
after fiscal year end, so they are not considered as
"available" revenues in the governmental funds, and
they are instead counted as deferred revenues. They
are, however, recorded as revenues in the statement
of activities.

72,756

Change in net assets of governmental activities (page 34) \$ 284,372

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

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 June 30, 2009

	Business-Type Activities - Enterprise Fund <u>Inservice</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ <u>74,003</u>
LIABILITIES	
Current liabilities:	
Accounts payable	1,312
Accrued expenses	<u>7,114</u>
Total current liabilities	<u>8,426</u>
NET ASSETS	
Unrestricted	\$ <u>65,577</u>

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

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2009

	Business-Type Activities - Enterprise Fund <u>Inservice</u>
OPERATING REVENUES:	
Local sources	\$ <u>97,715</u>
OPERATING EXPENSES:	
Salaries	37,124
Employee benefits	817
Purchased services	28,427
Supplies and materials	12,232
Capital outlay	<u>14,352</u>
Total operating expenses	<u>92,952</u>
Operating income	4,763
TOTAL NET ASSETS, BEGINNING OF YEAR	<u>60,814</u>
TOTAL NET ASSETS, END OF YEAR	<u>\$ 65,577</u>

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2009**

	Business-Type Activities - Enterprise Fund <u>Inservice</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from workshops	\$ 97,715
Payments to suppliers and providers of goods and services	(39,347)
Payments to employees	(30,827)
Payments for capital outlay	<u>(14,352)</u>
Net cash provided by operating activities	13,189
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>60,814</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 74,003</u></u>
 Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 4,763
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in accounts payable	1,312
Increase in accrued expenses	<u>7,114</u>
Net cash provided by operating activities	<u><u>\$ 13,189</u></u>

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

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2009

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ <u>482,113</u>
LIABILITIES	
Due to other governments	\$ <u>482,113</u>

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is an entity that is a result of an Educational Service Region becoming a Regional Office of Education as of August 7, 1995. The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 operates under the School Code (105 ILCS 5/3 and 5/3A). The Regional Office of Education #17 encompasses DeWitt, Livingston, and McLean Counties in Illinois. A Regional Superintendent of Schools serves as chief administrative officer and is elected pursuant to 105 ILCS 5/3 and 5/3A of the School Code. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17's reporting entity includes all related organizations for which the Regional Office of Education #17 exercises oversight responsibility in accordance with Statement No. 14 of the Governmental Accounting Standards Board.

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

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

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the activities of DeWitt, Livingston, and McLean Counties Regional Office of Education #17. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by intergovernmental and local revenues.

The Statement of Net Assets presents DeWitt, Livingston, and McLean Counties Regional Office of Education #17's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

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

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

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

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

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

Title II Teacher Quality - this program provides teacher workshops.

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

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

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Be A Star - this program collects donations from various local sources and uses funds for promoting literacy.

Teacher Mentoring - this program is used for new teacher training.

Manufacturing Innovation - this program provides assistance to students who need increased basic skills to pass the entrance test to enter Manufacturing Essentials at Heartland Community College.

EIU Cohort - this program provides a three semester hour graduate course to teachers in an agreement with Eastern Illinois University.

Title I Migrant Education - this program assists with the educational needs for the agricultural migrant population in the region for the summer.

Respro Title I - this program assists local school districts with school improvement planning and activities related to Title I instruction.

Career Lab - this program supplements adult education classes with instruction, computer-based assessments, and off-site activities to help increase employability and marketability of students while improving self-sufficiency.

Alexander Workshop - this program provides literacy and GED preparation for employees.

The Regional Office of Education #17 reports the following nonmajor governmental funds:

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

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

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

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

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

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Under the terms of grant agreements, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding sources available to finance the program. It is DeWitt, Livingston, and McLean Counties Regional Office of Education #17's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

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

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

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

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

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

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

Capital assets - Capital assets, which include property, furniture and equipment, are reported in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by DeWitt, Livingston, and McLean Counties Regional Office of Education #17 as assets with an initial, individual cost in excess of \$500 and estimated useful lives in excess of two years. Capital assets are depreciated using the straight line method over 3-50 years.

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated absences - Non-certified and certified employees who work 12 calendar months earn up to 20 vacation days for a full year of service. The accumulated total of vacation days may never exceed 30 days. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days. Employees receive up to 12 sick days annually and the unused portion is accumulated up to 180 days and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay and therefore; no liability is accrued. There are no material accumulations of sick pay or vacation pay at June 30, 2009.

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

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

Budgets and Budgetary Accounting

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

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

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

Subsequent Events

Management has evaluated subsequent events through April 23, 2010, the date the financial statements were available to be issued.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 2 - CASH AND CASH EQUIVALENTS

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

Deposits

At June 30, 2009, the carrying amount of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's deposits was \$2,352,623 and the bank balance was \$2,488,791.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, DeWitt, Livingston, and McLean Counties Regional Office of Education #17's deposits may not be returned. DeWitt, Livingston, and McLean Counties Regional Office of Education #17 does not have a deposit policy for custodial credit risk. As of June 30, 2009, all of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's deposits were covered by FDIC insurance or covered by collateral held by the financial institution in DeWitt, Livingston, and McLean Counties Regional Office of Education #17's name.

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

	<u>Carrying Amount</u>
Cash - Primary Government	\$ 1,796,507
Cash - Enterprise Fund	74,003
Cash - Agency	<u>482,113</u>
Total	<u>\$ 2,352,623</u>

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2009**

NOTE 3 - ON-BEHALF PAYMENTS

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

The breakdown of on-behalf payments for the year ended June 30, 2009 is as follows:

Regional Superintendent - salary	\$ 100,762
Regional Superintendent - benefits (includes state paid insurance)	19,689
Assistant Regional Superintendent - salary	90,686
Assistant Regional Superintendent - benefits (includes state paid insurance)	21,771
TRS on-behalf payments	<u>116,566</u>
Total on-behalf payments	<u>\$ 349,474</u>

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

NOTE 4 - EMPLOYEE BENEFIT PLAN

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

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

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

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 4 - EMPLOYEE BENEFIT PLAN (CONTINUED)

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

Illinois Municipal Retirement Fund

Plan Description. The Regional Office of Education #17'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 #17'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.

Funding Policy. As set by statute, the Regional Office of Education #17'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 2008 was 11.45 percent of annual covered payroll. The Regional Office of Education #17 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 2008, the Regional Office of Education #17's annual pension cost of \$110,800 for the Regular plan was equal to the Regional Office of Education #17's required and actual contributions.

TREND INFORMATION			
<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$ 110,800	100%	\$ -
12/31/07	90,139	100%	-
12/31/06	124,856	100%	-

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 4 - EMPLOYEE BENEFIT PLAN (CONTINUED)

The required contribution for 2008 was determined as part of the December 31, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, 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 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually.

The actuarial value of the Regional Office of Education #17's 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 20% corridor between the actuarial and market value of assets. The Regional Office of Education #17'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 the December 31, 2006, valuation was 5 years.

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 82.25 percent funded. The actuarial accrued liability for benefits was \$2,330,285 and the actuarial value of assets was \$1,916,662, resulting in an underfunded actuarial accrued liability (UAAL) of \$413,623. The covered payroll (annual payroll of active employees covered by the plan) was \$967,688 and the ratio of the UAAL to the covered payroll was 43 percent.

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 is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 5 - RETIREMENT PLANS

Teachers' Retirement System of the State of Illinois

The Regional Office of Education participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the governor's approval. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 5 - RETIREMENT PLANS (CONTINUED)

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2009, 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, 2008 and 2007. In addition, virtually all members pay a contribution to the Teacher's Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not part of this retirement plan. The Regional Office of Education #17 THIS Fund contribution was 0.63 percent during the year ended June 30, 2009, 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 #17's TRS-covered employees.

- **On-behalf Contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #17. For the year ended June 30, 2009, the State of Illinois contributions were based on 17.08 percent of creditable earnings, and the Regional Office of Education #17 recognized revenue and expenditures of \$116,566 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2008 and June 30, 2007 the State of Illinois contribution rates as percentages of creditable earnings were 13.11 percent (\$112,648) and 9.78 percent (\$98,807), respectively.

The state contributions to TRS for the year ended June 30, 2009 and 2008 was based on an actuarial formula. The state contribution for the year ended June 30, 2007 was based on a dollar amount specified by the statute and was not actuarially determined.

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

- **2.2 Formula Contributions.** Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contribution for the year ended June 30, 2009 was \$7,192. Contributions for the years ending June 30, 2008 and June 30, 2007 were \$6,951 and \$5,868, respectively.
- **Federal and Trust Fund Contributions.** When TRS members are paid from federal and trust funds administered by the Regional Office of Education #17, there is a statutory requirement for the Regional Office of Education #17 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions paid from federal and trust funds will be the same as the state contribution rate for TRS.

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 5 - RETIREMENT PLANS (CONTINUED)

For the year ended June 30, 2009, the employer pension contribution was 17.08 percent of salaries paid from federal and trust funds. For the years ended June 30, 2008 and 2007, the employer contribution was 13.11 and 9.78 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2009, salaries totaling \$194,762 were paid from federal and special trust funds that required employer contributions of \$33,265. For the years ended June 30, 2008 and June 30, 2007, required employer contributions were \$20,655 and \$10,087, respectively.

- **Early Retirement Option.** The Regional Office of Education #17 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

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 in the Pipeline ERO).

Under the Pipeline ERO, the maximum employer contribution is 100 percent of the member's highest salary used in the final average salary calculation.

Under the Modified ERO, the maximum employer contribution is 117.5 percent.

Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement.

For the year ended June 30, 2009, the Regional Office of Education paid \$-0-. For the years ended June 30, 2008 and June 30, 2007 the Regional Office of Education #17 paid \$-0- and \$68,093, respectively, in employer ERO contributions, respectively.

- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two new employer contributions to TRS.
 - If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases up to 6 percent. For the years ended June 30, 2009, June 30, 2008, and June 30, 2007, the Regional Office of Education #17 did not make any contributions to TRS for salary increases in excess of 6 percent.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 5 - RETIREMENT PLANS (CONTINUED)

- 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 (18.67 percent of salary during the year ended June 30, 2009). For the years ended June 30, 2009, June 30, 2008, and June 30, 2007, the Regional Office of Education #17 did not make any contributions to TRS for sick leave days granted in excess of the normal annual allotment.

TRS financial information, an explanation of TRS' benefits, and descriptions of member, employer and state funding requirements can be found in the TRS Comprehensive Annual Financial Report for the year ended June 30, 2008. The report for the year ended June 30, 2009, is expected to be available in late 2009.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

NOTE 6 - BUDGETARY COMPARISONS AND BUDGETARY COMPLIANCE

To demonstrate compliance with applicable budgetary requirements, GAAP financial statements generally include comparisons of actual results of operations to budgeted amounts for individual funds for which a budget is adopted for the period covered by the budget. Regional Office of Education #17 did not formally adopt a budget for the year ended June 30, 2009 and is not legally required to do so. The Illinois State Board of Education requires budgets for certain state and federal programs. Budgets for the Regional Office of Education #17's state and federal grant funds cover various periods. Budgetary comparisons for those periods are presented on page 70 for the County Fund and the ROE/ISC Operations Fund and pages 89-92 for the following grants: Secretary of State's Literacy Grant, Truants Alternative/Optional Education, Adult Education Programs, SOS Family Literacy, Early Childhood Block Grant, Evenstart Family Literacy, English Language Civics Grant, Regional Safe Schools, and Teacher Mentoring.

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

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 6 - BUDGETARY COMPARISONS AND BUDGETARY COMPLIANCE (CONTINUED)

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

NOTE 7 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2009 is as follows:

	<u>Balance June 30, 2008</u>	<u>Additions/ Reclassif- ications</u>	<u>Deletions/ Reclassif- ications</u>	<u>Balance June 30, 2009</u>
Governmental activities:				
Furniture and equipment	\$ 574,654	\$ 84,433	\$ -	\$ 659,087
Leasehold improvement	429,492	-	-	429,492
Less accumulated depreciation	<u>451,223</u>	<u>67,442</u>	<u>-</u>	<u>518,665</u>
Total capital assets, net	<u>\$ 552,923</u>	<u>\$ 16,991</u>	<u>\$ -</u>	<u>\$ 569,914</u>

Depreciation expense was charged as follows:

 Governmental activities:

 Education:

 Depreciation and disposition losses \$ 67,442

NOTE 8 - DISPOSITION OF DISTRIBUTIVE FUND INTEREST

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

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 9 - OPERATING LEASES

The Regional Office of Education #17 entered into a lease for an Alternative School classroom and administrative space. The lease calls for monthly payments of \$7,527 beginning on July 1, 2002 for ten years with five one-year options. Beginning July 1, 2006, an additional 2% increase will occur every 2 years until lease termination. The lease calls for improvements to be made by the landlord and additional payments by the tenant. Total rental expense for the year ended June 30, 2009 was \$93,969.

The Regional Office of Education #17 entered into a lease for the Special Services program office complex. The lease calls for monthly payments of \$1,750 beginning on June 1, 2006 for eight years and then from year to year. Beginning June 1, 2007, the monthly payment increased to \$1,900. The lease calls for improvements to be made by the landlord and additional payments by the tenant. Total rental expense for the year ended June 30, 2009 was \$22,800.

The Regional Office of Education #17 entered into a lease for an Alternative School classroom and administrative space. The lease calls for monthly payments of \$2,000 beginning on August 1, 2007 for five years. The lease calls for improvements to be made by the landlord and additional payments by the tenant. Total rental expense for the year ended June 30, 2009 was \$24,000. See Note 7 - Capital Assets for more information regarding leasehold improvement.

Future lease obligations are as follows:

<u>Year Ended June 30,</u>	
2010	\$ 140,769
2011	142,648
2012	142,648
2013	24,800
2014	<u>20,900</u>
Total	<u>\$ 471,765</u>

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 10 - DUE TO/FROM OTHER GOVERNMENTS

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

Due From Other Governments	
<u>General Fund</u>	
Illinois State Board of Education	\$ 46,016
<u>Education Fund</u>	
Illinois State Board of Education	237,419
Other local governments	112,292
Due To Other Governments	
<u>Education Fund</u>	
Illinois State Board of Education	\$ 13,924
<u>Agency Fund</u>	
Other local governments	482,113

NOTE 11 - RISK MANAGEMENT

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. DeWitt, Livingston, and McLean Counties Regional Office of Education #17 assumes liability for any deductibles and claims in excess of coverage limitations. There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the year.

NOTE 12 - DEFICIT FUND BALANCES

The following funds had deficit fund balances at June 30, 2009. The deficits will be covered by normal operations or fund transfers.

Education Fund	
D.O.R.S. Program Step Grant	\$ (1,069)
Secretary of State's Literacy Grant	(144)
Penny Severns Grant	(283)
Truants Alternative/Optional Education	(9,209)
Adult Education Programs	(43,954)
Early Childhood Block Grant	(803)
Evenstart Family Literacy	(6,213)
Induction Leadership	(4,865)

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 12 - DEFICIT FUND BALANCES (CONTINUED)

Implementing Math	\$ (1,452)
Mentoring	(6,829)
Continuum of Care	(3,271)
Heart of Illinois Low Incidence	(9,701)
Title I Neglect	(78)
Ross Grant	(5,275)
Title II Teacher Quality	(1,673)
Reluctant Learner	(3,195)
Be A Star	(893)
Teacher Mentoring	(815)
Title I Migrant Education	(908)
Respro Title I	(344)
Nonmajor Special Revenue Funds	
Bus Driver Training	(387)

NOTE 13 - NEW PRONOUNCEMENTS

In 2009, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 adopted Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*; GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*; GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The Regional Office of Education #17 implemented these standards during the current year; however, there was no significant impact of the implementation of GASB No. 49, 52, 55, and 56 on the financial statements.

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

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF FUNDING PROGRESS -
ILLINOIS MUNICIPAL RETIREMENT FUND
(Unaudited)
June 30, 2009**

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/08	\$1,916,662	\$2,330,285	\$ 413,623	82.25%	\$ 967,688	42.74%
12/31/07	2,186,794	2,345,922	159,158	93.22%	927,356	17.16%
12/31/06	1,953,006	2,090,207	137,201	93.44%	920,087	14.91%

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$1,420,536.
On a market basis, the funded ratio would be 60.96%.

***Digest of Changes**

- The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2005-2007 Experience Study.

SUPPLEMENTAL INFORMATION

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND ACCOUNTS
 June 30, 2009

	<u>County Fund</u>	<u>Indirect Cost and Interest Fund</u>	<u>ROE/ISC Operations Fund</u>	<u>Totals</u>
ASSETS				
Cash (overdrafts) and cash equivalents	\$ 247,714	\$ 53,260	\$ (19,832)	\$ 281,142
Due from other governments	-	-	46,016	46,016
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 247,714	\$ 53,260	\$ 26,184	\$ 327,158
	<hr/>	<hr/>	<hr/>	<hr/>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 1,765	\$ -	\$ -	\$ 1,765
Accrued expenses	6,695	-	-	6,695
Total liabilities	8,460	-	-	8,460
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE, UNRESERVED	239,254	53,260	26,184	318,698
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE, UNRESERVED	\$ 247,714	\$ 53,260	\$ 26,184	\$ 327,158
	<hr/>	<hr/>	<hr/>	<hr/>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 Year Ended June 30, 2009

	<u>County Fund</u>	<u>Indirect Cost and Interest Fund</u>	<u>ROE/ISC Operations Fund</u>	<u>Totals</u>
REVENUES:				
Local sources	\$ 442,450	\$ 69,445	\$ -	\$ 511,895
State sources	-	-	110,437	110,437
On-behalf payments	<u>349,474</u>	<u>-</u>	<u>-</u>	<u>349,474</u>
Total revenues	<u>791,924</u>	<u>69,445</u>	<u>110,437</u>	<u>971,806</u>
EXPENDITURES:				
Instructional services:				
Salaries	230,473	-	21,177	251,650
Employee benefits	67,128	-	7,296	74,424
Purchased services	63,353	27,617	60,665	151,635
Supplies and materials	6,560	1,026	-	7,586
On-behalf payments	349,474	-	-	349,474
Capital outlay	<u>-</u>	<u>23,424</u>	<u>21,299</u>	<u>44,723</u>
Total expenditures	<u>716,988</u>	<u>52,067</u>	<u>110,437</u>	<u>879,492</u>
NET CHANGE IN FUND BALANCES	74,936	17,378	-	92,314
FUND BALANCE, UNRESERVED, BEGINNING OF YEAR	<u>164,318</u>	<u>35,882</u>	<u>26,184</u>	<u>226,384</u>
FUND BALANCE, UNRESERVED, END OF YEAR	<u>\$ 239,254</u>	<u>\$ 53,260</u>	<u>\$ 26,184</u>	<u>\$ 318,698</u>

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND ACCOUNTS
Year Ended June 30, 2009**

	County Fund				ROE/ISC Operations			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>		
REVENUES:								
Local sources	\$ 372,496	\$ 372,496	\$ 442,450	\$ 69,954	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	110,437	110,437	110,437	-
On-behalf payments	-	-	349,474	349,474	-	-	-	-
Total revenues	<u>372,496</u>	<u>372,496</u>	<u>791,924</u>	<u>419,428</u>	<u>110,437</u>	<u>110,437</u>	<u>110,437</u>	<u>-</u>
EXPENDITURES:								
Instructional services:								
Salaries	238,287	238,287	230,473	7,814	20,000	20,000	21,177	(1,177)
Employee benefits	76,123	76,123	67,128	8,995	6,000	8,600	7,296	1,304
Purchased services	55,586	55,586	63,353	(7,767)	84,437	68,547	60,665	7,882
Supplies and materials	2,500	2,500	6,560	(4,060)	-	-	-	-
On-behalf payments	-	-	349,474	(349,474)	-	-	-	-
Capital outlay	-	-	-	-	-	13,290	21,299	(8,009)
Total expenditures	<u>372,496</u>	<u>372,496</u>	<u>716,988</u>	<u>(344,492)</u>	<u>110,437</u>	<u>110,437</u>	<u>110,437</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	74,936	<u>\$ 74,936</u>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE, BEGINNING OF YEAR			164,318				26,184	
FUND BALANCE, END OF YEAR			<u>\$ 239,254</u>				<u>\$ 26,184</u>	

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2009

SCHEDULE 4

	D.O.R.S. Program Step Grant	Secretary of State's Literacy Grant	Penny Severns Grant	Truants Alternative/ Optional Education	Adult Education Programs	Scientific Literacy
ASSETS						
Cash (overdrafts) and cash equivalents	\$ 1,366	\$ (144)	\$ (5,083)	\$ (46,901)	\$ (43,954)	\$ 471
Due from other governments	7,352	-	4,800	37,692	72,756	-
TOTAL ASSETS	<u>\$ 8,718</u>	<u>\$ (144)</u>	<u>\$ (283)</u>	<u>\$ (9,209)</u>	<u>\$ 28,802</u>	<u>\$ 471</u>
LIABILITIES AND FUND BALANCES (DEFICIT)						
LIABILITIES						
Accounts payable	\$ 9,787	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Deferred revenue	-	-	-	-	72,756	-
Total liabilities	<u>9,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,756</u>	<u>-</u>
FUND BALANCES (DEFICIT)						
Unreserved	<u>(1,069)</u>	<u>(144)</u>	<u>(283)</u>	<u>(9,209)</u>	<u>(43,954)</u>	<u>471</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 8,718</u>	<u>\$ (144)</u>	<u>\$ (283)</u>	<u>\$ (9,209)</u>	<u>\$ 28,802</u>	<u>\$ 471</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2009

SCHEDULE 4
 (CONTINUED)

	<u>SOS</u>	<u>Career</u>	<u>Education</u>	<u>Partnering</u>	<u>ROE/ISC</u>	<u>Early</u>
	<u>Family</u>	<u>Awareness and</u>	<u>To</u>	<u>NCLB</u>	<u>School</u>	<u>Childhood</u>
	<u>Literacy</u>	<u>Development</u>	<u>Careers</u>		<u>Improvement</u>	<u>Block Grant</u>
ASSETS						
Cash (overdrafts) and cash equivalents	\$ 2,538	\$ 1,669	\$ 12,310	\$ 4,800	\$ 140	\$ (43,704)
Due from other governments	-	-	-	-	-	43,303
TOTAL ASSETS	<u>\$ 2,538</u>	<u>\$ 1,669</u>	<u>\$ 12,310</u>	<u>\$ 4,800</u>	<u>\$ 140</u>	<u>\$ (401)</u>
LIABILITIES AND FUND BALANCES (DEFICIT)						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	402
Due to other governments	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	402
FUND BALANCES (DEFICIT)						
Unreserved	2,538	1,669	12,310	4,800	140	(803)
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 2,538</u>	<u>\$ 1,669</u>	<u>\$ 12,310</u>	<u>\$ 4,800</u>	<u>\$ 140</u>	<u>\$ (401)</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2009

SCHEDULE 4
 (CONTINUED)

		<u>Evenstart Family Literacy</u>	<u>English Language Civics Grant</u>	<u>Induction Leadership</u>	<u>Work Experience and Career Exploration Program</u>	<u>Illinois Violence Prevention Authority</u>	<u>Title I - Reading First - SEA Part B</u>
ASSETS							
Cash (overdrafts) and cash equivalents	\$	(4,797)	\$ 1,123	\$ 2,806	\$ 724	\$ 13,130	\$ 1,556
Due from other governments		886	-	-	-	-	-
TOTAL ASSETS	\$	(3,911)	\$ 1,123	\$ 2,806	\$ 724	\$ 13,130	\$ 1,556
LIABILITIES AND FUND BALANCES (DEFICIT)							
LIABILITIES							
Accounts payable	\$	1,054	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses		1,248	587	-	-	398	-
Due to other governments		-	-	-	-	-	-
Deferred revenue		-	-	7,671	724	-	-
Total liabilities		2,302	587	7,671	724	398	-
FUND BALANCES (DEFICIT)							
Unreserved		(6,213)	536	(4,865)	-	12,732	1,556
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$	(3,911)	\$ 1,123	\$ 2,806	\$ 724	\$ 13,130	\$ 1,556

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
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 June 30, 2009

SCHEDULE 4
 (CONTINUED)

	<u>Implementing</u>		<u>Mentoring</u>	<u>SBC</u>	<u>McLean</u>	<u>Donations</u>
	<u>Math</u>	<u>Chestnut</u>	<u>Mentoring</u>	<u>Foundation</u>	<u>County Jail</u>	<u>Literacy</u>
	<u>Grant</u>	<u>Development</u>	<u>Inservice</u>			
ASSETS						
Cash (overdrafts) and cash equivalents	\$ (1,452)	\$ 4,802	\$ (6,829)	\$ 2,694	\$ 12,961	\$ 32,072
Due from other governments	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ (1,452)</u>	<u>\$ 4,802</u>	<u>\$ (6,829)</u>	<u>\$ 2,694</u>	<u>\$ 12,961</u>	<u>\$ 32,072</u>
LIABILITIES AND FUND BALANCES (DEFICIT)						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	299	-	-	1,195	-
Due to other governments	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	-	299	-	-	1,195	-
FUND BALANCES (DEFICIT)						
Unreserved	(1,452)	4,503	(6,829)	2,694	11,766	32,072
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ (1,452)</u>	<u>\$ 4,802</u>	<u>\$ (6,829)</u>	<u>\$ 2,694</u>	<u>\$ 12,961</u>	<u>\$ 32,072</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
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 June 30, 2009

SCHEDULE 4
 (CONTINUED)

	<u>Youthbuild</u>	<u>Youth Impact</u>	<u>Regional Safe Schools</u>	<u>Scoop Dreams GED</u>	<u>Scoop Dreams Grant</u>	<u>Continuum of Care</u>
ASSETS						
Cash (overdrafts) and cash equivalents	\$ 14,861	\$ 33,565	\$ 39,782	\$ 2	\$ 1,470	\$ (2,166)
Due from other governments	-	-	155,538	-	-	-
TOTAL ASSETS	<u>\$ 14,861</u>	<u>\$ 33,565</u>	<u>\$ 195,320</u>	<u>\$ 2</u>	<u>\$ 1,470</u>	<u>\$ (2,166)</u>
LIABILITIES AND FUND BALANCES (DEFICIT)						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 78	\$ -	\$ -	\$ -
Accrued expenses	-	-	12,100	-	-	1,105
Due to other governments	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	-	-	12,178	-	-	1,105
FUND BALANCES (DEFICIT)						
Unreserved	<u>14,861</u>	<u>33,565</u>	<u>183,142</u>	<u>2</u>	<u>1,470</u>	<u>(3,271)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 14,861</u>	<u>\$ 33,565</u>	<u>\$ 195,320</u>	<u>\$ 2</u>	<u>\$ 1,470</u>	<u>\$ (2,166)</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
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 June 30, 2009

SCHEDULE 4
 (CONTINUED)

	<u>Heart of Illinois Low Incidence</u>	<u>Regional Alternative School</u>	<u>Title I Neglect</u>	<u>Illinois Reading Grant</u>	<u>Standards Aligned Classroom</u>
ASSETS					
Cash (overdrafts) and cash equivalents	\$ 338,931	\$ 920,883	\$ 4,426	\$ 613	\$ 7,269
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 338,931</u></u>	<u><u>\$ 920,883</u></u>	<u><u>\$ 4,426</u></u>	<u><u>\$ 613</u></u>	<u><u>\$ 7,269</u></u>
LIABILITIES AND FUND BALANCES (DEFICIT)					
LIABILITIES					
Accounts payable	\$ 348,079	\$ 2,103	\$ -	\$ -	\$ -
Accrued expenses	553	25,253	36	-	7,242
Due to other governments	-	-	-	-	-
Deferred revenue	<u>-</u>	<u>-</u>	<u>4,468</u>	<u>-</u>	<u>-</u>
Total liabilities	348,632	27,356	4,504	-	7,242
FUND BALANCES (DEFICIT)					
Unreserved	<u>(9,701)</u>	<u>893,527</u>	<u>(78)</u>	<u>613</u>	<u>27</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u><u>\$ 338,931</u></u>	<u><u>\$ 920,883</u></u>	<u><u>\$ 4,426</u></u>	<u><u>\$ 613</u></u>	<u><u>\$ 7,269</u></u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
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 June 30, 2009

SCHEDULE 4
 (CONTINUED)

	<u>Ross Grant</u>	<u>State Farm Grants</u>	<u>Title II Teacher Quality</u>	<u>Reluctant Learner</u>	<u>Illinois Educators' Roundtable</u>
ASSETS					
Cash (overdrafts) and cash equivalents	\$ (5,275)	\$ 24,877	\$ (1,673)	\$ (3,195)	\$ 16,010
Due from other governments	-	-	-	-	-
TOTAL ASSETS	<u>\$ (5,275)</u>	<u>\$ 24,877</u>	<u>\$ (1,673)</u>	<u>\$ (3,195)</u>	<u>\$ 16,010</u>
LIABILITIES AND FUND BALANCES (DEFICIT)					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-
Due to other governments	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	-	-	-	-	-
FUND BALANCES (DEFICIT)					
Unreserved	<u>(5,275)</u>	<u>24,877</u>	<u>(1,673)</u>	<u>(3,195)</u>	<u>16,010</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ (5,275)</u>	<u>\$ 24,877</u>	<u>\$ (1,673)</u>	<u>\$ (3,195)</u>	<u>\$ 16,010</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
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 June 30, 2009

SCHEDULE 4
 (CONTINUED)

	<u>Be A Star</u>	<u>Teacher Mentoring</u>	<u>Manufacturing Innovation</u>	<u>EIU Cohort</u>	<u>Title I Migrant Education</u>
ASSETS					
Cash (overdrafts) and cash equivalents	\$ (893)	\$ 28,484	\$ 79	\$ 39,721	\$ 22,825
Due from other governments	-	-	-	-	-
TOTAL ASSETS	<u>\$ (893)</u>	<u>\$ 28,484</u>	<u>\$ 79</u>	<u>\$ 39,721</u>	<u>\$ 22,825</u>
LIABILITIES AND FUND BALANCES (DEFICIT)					
LIABILITIES					
Accounts payable	\$ -	\$ 1,391	\$ -	\$ -	\$ -
Accrued expenses	-	815	-	-	908
Due to other governments	-	-	-	-	13,924
Deferred revenue	-	27,093	-	-	8,901
Total liabilities	-	29,299	-	-	23,733
FUND BALANCES (DEFICIT)					
Unreserved	(893)	(815)	79	39,721	(908)
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ (893)</u>	<u>\$ 28,484</u>	<u>\$ 79</u>	<u>\$ 39,721</u>	<u>\$ 22,825</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2009

SCHEDULE 4
 (CONTINUED)

	<u>Respro Title I</u>	<u>Career Lab</u>	<u>Alexander Workshop</u>	<u>Totals</u>
ASSETS				
Cash (overdrafts) and cash equivalents	\$ (17,284)	\$ (10,100)	\$ 3,000	\$ 1,398,510
Due from other governments	<u>17,284</u>	<u>10,100</u>	<u>-</u>	<u>349,711</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 1,748,221</u>
LIABILITIES AND FUND BALANCES (DEFICIT)				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 362,492
Accrued expenses	344	-	-	52,485
Due to other governments	-	-	-	13,924
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,613</u>
Total liabilities	344	-	-	550,514
FUND BALANCES (DEFICIT)				
Unreserved	<u>(344)</u>	<u>-</u>	<u>3,000</u>	<u>1,197,707</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 1,748,221</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 5

	D.O.R.S. Program Step <u>Grant</u>	Secretary of State's Literacy <u>Grant</u>	Penny Severns <u>Grant</u>	Truants Alternative/ Optional <u>Education</u>	Adult Education <u>Programs</u>	Scientific <u>Literacy</u>
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	71,000	4,800	103,653	202,563	-
Federal sources	56,733	-	-	-	97,316	-
Total revenues	<u>56,733</u>	<u>71,000</u>	<u>4,800</u>	<u>103,653</u>	<u>299,879</u>	<u>-</u>
EXPENDITURES:						
Instructional services:						
Salaries	-	46,988	1,356	67,390	291,878	-
Employee benefits	-	9,629	104	22,860	42,343	-
Purchased services	-	3,473	2,789	7,342	36,180	-
Supplies and materials	-	10,910	1,861	-	2,335	-
Payments to other governments	56,733	-	-	5,035	-	-
Other objects	-	-	-	-	-	-
Capital outlay	-	-	-	1,026	-	-
Total expenditures	<u>56,733</u>	<u>71,000</u>	<u>6,110</u>	<u>103,653</u>	<u>372,736</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	(1,310)	-	(72,857)	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>(1,069)</u>	<u>(144)</u>	<u>1,027</u>	<u>(9,209)</u>	<u>28,903</u>	<u>471</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (1,069)</u>	<u>\$ (144)</u>	<u>\$ (283)</u>	<u>\$ (9,209)</u>	<u>\$ (43,954)</u>	<u>\$ 471</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 5
 (CONTINUED)

	SOS Family <u>Literacy</u>	Career Awareness and <u>Development</u>	Education To <u>Careers</u>	Partnering <u>NCLB</u>	ROE/ISC School <u>Improvement</u>	Early Childhood <u>Block Grant</u>
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	35,000	-	-	-	-	168,627
Federal sources	-	-	-	-	-	-
Total revenues	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,627</u>
EXPENDITURES:						
Instructional services:						
Salaries	25,048	-	-	-	-	127,505
Employee benefits	7,325	-	-	-	-	18,344
Purchased services	356	-	-	-	366	18,957
Supplies and materials	2,271	-	-	-	-	8,748
Payments to other governments	-	-	-	-	-	6,778
Other objects	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>366</u>	<u>180,332</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	(366)	(11,705)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>2,538</u>	<u>1,669</u>	<u>12,310</u>	<u>4,800</u>	<u>506</u>	<u>10,902</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 2,538</u>	<u>\$ 1,669</u>	<u>\$ 12,310</u>	<u>\$ 4,800</u>	<u>\$ 140</u>	<u>\$ (803)</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 5
 (CONTINUED)

	Evenstart Family <u>Literacy</u>	English Language Civics <u>Grant</u>	Induction <u>Leadership</u>	Work Experience and Career Exploration <u>Program</u>	Illinois Violence Prevention <u>Authority</u>	Title I - Reading First - SEA <u>Part B</u>
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ -
State sources	-	-	-	-	25,864	-
Federal sources	235,000	128,219	-	-	-	-
Total revenues	<u>235,000</u>	<u>128,219</u>	<u>-</u>	<u>-</u>	<u>26,364</u>	<u>-</u>
EXPENDITURES:						
Instructional services:						
Salaries	157,670	102,375	-	-	10,816	-
Employee benefits	36,142	21,575	-	-	1,730	-
Purchased services	38,339	1,082	-	-	1,831	-
Supplies and materials	11,892	3,774	-	-	139	-
Payments to other governments	-	-	-	-	-	-
Other objects	1,159	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>245,202</u>	<u>128,806</u>	<u>-</u>	<u>-</u>	<u>14,516</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(10,202)	(587)	-	-	11,848	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>3,989</u>	<u>1,123</u>	<u>(4,865)</u>	<u>-</u>	<u>884</u>	<u>1,556</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (6,213)</u>	<u>\$ 536</u>	<u>\$ (4,865)</u>	<u>\$ -</u>	<u>\$ 12,732</u>	<u>\$ 1,556</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 5
 (CONTINUED)

	Implementing <u>Math</u>	<u>Chestnut</u>	<u>Mentoring</u>	SBC Foundation <u>Grant</u>	McLean County Jail Education <u>Development</u>	Donations Literacy <u>Inservice</u>
REVENUES:						
Local sources	\$ -	\$ 12,000	\$ -	\$ -	\$ 16,000	\$ 500
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>16,000</u>	<u>500</u>
EXPENDITURES:						
Instructional services:						
Salaries	-	5,499	-	-	25,178	-
Employee benefits	-	139	-	-	2,434	-
Purchased services	-	2	21	-	4,139	8,702
Supplies and materials	-	-	-	-	-	400
Payments to other governments	-	-	-	-	-	-
Other objects	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>5,640</u>	<u>21</u>	<u>-</u>	<u>31,751</u>	<u>9,102</u>
NET CHANGE IN FUND BALANCES	-	6,360	(21)	-	(15,751)	(8,602)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>(1,452)</u>	<u>(1,857)</u>	<u>(6,808)</u>	<u>2,694</u>	<u>27,517</u>	<u>40,674</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (1,452)</u>	<u>\$ 4,503</u>	<u>\$ (6,829)</u>	<u>\$ 2,694</u>	<u>\$ 11,766</u>	<u>\$ 32,072</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 5
 (CONTINUED)

	<u>Youthbuild</u>	<u>Youth Impact</u>	<u>Regional Safe Schools</u>	<u>Scoop Dreams GED</u>	<u>Scoop Dreams Grant</u>	<u>Continuum of Care</u>
REVENUES:						
Local sources	\$ -	\$ -	\$ 94,364	\$ -	\$ -	\$ -
State sources	-	-	691,682	-	-	-
Federal sources	-	-	121,066	-	-	30,030
Total revenues	<u>-</u>	<u>-</u>	<u>907,112</u>	<u>-</u>	<u>-</u>	<u>30,030</u>
EXPENDITURES:						
Instructional services:						
Salaries	-	1,360	565,348	-	-	24,556
Employee benefits	-	104	106,264	-	-	4,757
Purchased services	-	7,377	153,985	-	-	43
Supplies and materials	-	132	36,725	-	-	-
Payments to other governments	-	10,000	-	-	-	-
Other objects	-	-	-	-	-	-
Capital outlay	-	-	32,323	-	-	-
Total expenditures	<u>-</u>	<u>18,973</u>	<u>894,645</u>	<u>-</u>	<u>-</u>	<u>29,356</u>
NET CHANGE IN FUND BALANCES	-	(18,973)	12,467	-	-	674
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>14,861</u>	<u>52,538</u>	<u>170,675</u>	<u>2</u>	<u>1,470</u>	<u>(3,945)</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 14,861</u>	<u>\$ 33,565</u>	<u>\$ 183,142</u>	<u>\$ 2</u>	<u>\$ 1,470</u>	<u>\$ (3,271)</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 5
 (CONTINUED)

	<u>Heart of Illinois Low Incidence</u>	<u>Regional Alternative School</u>	<u>Title I Neglect</u>	<u>Illinois Reading Grant</u>	<u>Standards Aligned Classroom</u>
REVENUES:					
Local sources	\$ 1,565,513	\$ 305,431	\$ 2,523	\$ 4,520	\$ 10,263
State sources	103,652	791,541	-	-	125,706
Federal sources	-	234,003	-	-	6,000
Total revenues	<u>1,669,165</u>	<u>1,330,975</u>	<u>2,523</u>	<u>4,520</u>	<u>141,969</u>
EXPENDITURES:					
Instructional services:					
Salaries	21,078	620,832	2,152	-	86,067
Employee benefits	7,268	118,265	406	-	7,809
Purchased services	1,802,268	227,907	-	-	27,696
Supplies and materials	-	25,581	-	1,959	20,370
Payments to other governments	-	-	-	-	-
Other objects	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,830,614</u>	<u>992,585</u>	<u>2,558</u>	<u>1,959</u>	<u>141,942</u>
NET CHANGE IN FUND BALANCES	(161,449)	338,390	(35)	2,561	27
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>151,748</u>	<u>555,137</u>	<u>(43)</u>	<u>(1,948)</u>	<u>-</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (9,701)</u>	<u>\$ 893,527</u>	<u>\$ (78)</u>	<u>\$ 613</u>	<u>\$ 27</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 5
 (CONTINUED)

	<u>Ross Grant</u>	<u>State Farm Grants</u>	<u>Title II Teacher Quality</u>	<u>Reluctant Learner</u>	<u>Illinois Educators' Roundtable</u>
REVENUES:					
Local sources	\$ -	\$ 7,811	\$ -	\$ -	\$ 8,000
State sources	-	-	-	-	-
Federal sources	-	-	30,005	-	-
Total revenues	-	7,811	30,005	-	8,000
EXPENDITURES:					
Instructional services:					
Salaries	-	-	18,651	-	-
Employee benefits	-	-	992	-	-
Purchased services	-	-	11,116	-	10,044
Supplies and materials	-	223	2,842	-	-
Payments to other governments	-	-	-	-	-
Other objects	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	-	223	33,601	-	10,044
NET CHANGE IN FUND BALANCES					
	-	7,588	(3,596)	-	(2,044)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR					
	(5,275)	17,289	1,923	(3,195)	18,054
FUND BALANCE (DEFICIT), END OF YEAR					
	\$ (5,275)	\$ 24,877	\$ (1,673)	\$ (3,195)	\$ 16,010

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 5
 (CONTINUED)

	<u>Be A</u>	<u>Teacher</u>	<u>Manufacturing</u>	<u>EIU</u>	<u>Title I</u>
	<u>Star</u>	<u>Mentoring</u>	<u>Innovation</u>	<u>Cohort</u>	<u>Migrant</u>
					<u>Education</u>
REVENUES:					
Local sources	\$ 63	\$ -	\$ -	\$ 97,919	\$ -
State sources	-	194,956	-	-	-
Federal sources	-	-	-	-	311
Total revenues	63	194,956	-	97,919	311
EXPENDITURES:					
Instructional services:					
Salaries	-	50,540	-	-	908
Employee benefits	-	1,797	-	-	-
Purchased services	-	90,719	-	58,198	311
Supplies and materials	63	52,715	-	-	-
Payments to other governments	-	-	-	-	-
Other objects	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	63	195,771	-	58,198	1,219
NET CHANGE IN					
FUND BALANCES	-	(815)	-	39,721	(908)
FUND BALANCE (DEFICIT),					
BEGINNING OF YEAR	(893)	-	79	-	-
FUND BALANCE (DEFICIT),					
END OF YEAR	\$ (893)	\$ (815)	\$ 79	\$ 39,721	\$ (908)

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 5
 (CONTINUED)

	<u>Respro Title I</u>	<u>Career Lab</u>	<u>Alexander Workshop</u>	<u>Totals</u>
REVENUES:				
Local sources	\$ -	\$ -	\$ 3,000	\$ 2,128,407
State sources	-	15,000	-	2,534,044
Federal sources	24,804	-	-	963,487
Total revenues	24,804	15,000	3,000	5,625,938
EXPENDITURES:				
Instructional services:				
Salaries	7,435	6,552	-	2,267,182
Employee benefits	2,062	501	-	412,850
Purchased services	14,734	3,957	-	2,531,934
Supplies and materials	917	1,613	-	185,470
Payments to other governments	-	-	-	78,546
Other objects	-	-	-	1,159
Capital outlay	-	2,377	-	35,726
Total expenditures	25,148	15,000	-	5,512,867
NET CHANGE IN FUND BALANCES	(344)	-	3,000	113,071
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	-	-	-	1,084,636
FUND BALANCE (DEFICIT), END OF YEAR	\$ (344)	\$ -	\$ 3,000	\$ 1,197,707

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2009

SCHEDULE 6

	Secretary of State's Literacy Grant				Truants Alternative/Optional Education				Adult Education Programs			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final			Original	Final		
REVENUES:												
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	71,000	71,000	71,000	-	103,653	103,653	103,653	-	270,084	270,084	202,563	(67,521)
Federal sources	-	-	-	-	-	-	-	-	97,316	97,316	97,316	-
Total revenues	71,000	71,000	71,000	-	103,653	103,653	103,653	-	367,400	367,400	299,879	(67,521)
EXPENDITURES:												
Instructional services:												
Salaries	47,930	42,885	46,988	(4,103)	66,914	66,914	67,390	(476)	295,207	295,207	291,878	3,329
Employee benefits	9,849	8,874	9,629	(755)	24,493	24,493	22,860	1,633	35,758	35,758	42,343	(6,585)
Purchased services	4,700	5,700	3,473	2,227	6,720	6,720	7,342	(622)	26,069	26,069	36,180	(10,111)
Supplies and materials	8,521	13,541	10,910	2,631	-	-	-	-	10,366	10,366	2,335	8,031
Payments to other governments	-	-	-	-	4,500	4,500	5,035	(535)	-	-	-	-
Other objects	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,026	1,026	1,026	-	-	-	-	-
Total expenditures	71,000	71,000	71,000	-	103,653	103,653	103,653	-	367,400	367,400	372,736	(5,336)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	(72,857)	\$ (72,857)
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR			(144)				(9,209)				28,903	
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR			<u>\$ (144)</u>				<u>\$ (9,209)</u>				<u>\$ (43,954)</u>	

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2009

SCHEDULE 6
 (CONTINUED)

	SOS Family Literacy				Early Childhood Block Grant				Evenstart Family Literacy			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:												
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	35,000	35,000	35,000	-	165,321	168,627	168,627	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	235,000	235,000	235,000	-
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>165,321</u>	<u>168,627</u>	<u>168,627</u>	<u>-</u>	<u>235,000</u>	<u>235,000</u>	<u>235,000</u>	<u>-</u>
EXPENDITURES:												
Instructional services:												
Salaries	24,383	24,383	25,048	(665)	124,194	121,453	127,505	(6,052)	159,021	154,546	157,670	(3,124)
Employee benefits	7,173	7,173	7,325	(152)	20,026	19,536	18,344	1,192	35,216	35,701	36,142	(441)
Purchased services	550	550	356	194	15,769	19,201	18,957	244	34,213	33,613	38,339	(4,726)
Supplies and materials	2,894	2,894	2,271	623	5,332	8,437	8,748	(311)	5,550	10,140	11,892	(1,752)
Payments to other governments	-	-	-	-	-	-	6,778	(6,778)	-	-	-	-
Other objects	-	-	-	-	-	-	-	-	-	-	1,159	(1,159)
Capital outlay	-	-	-	-	-	-	-	-	1,000	1,000	-	1,000
Total expenditures	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>165,321</u>	<u>168,627</u>	<u>180,332</u>	<u>(11,705)</u>	<u>235,000</u>	<u>235,000</u>	<u>245,202</u>	<u>(10,202)</u>
NET CHANGE IN												
FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(11,705)</u>	<u>\$ (11,705)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(10,202)</u>	<u>\$ (10,202)</u>
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR			<u>2,538</u>				<u>10,902</u>				<u>3,989</u>	
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR			<u>\$ 2,538</u>				<u>\$ (803)</u>				<u>\$ (6,213)</u>	

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2009

SCHEDULE 6
 (CONTINUED)

	English Language Civics Grant				Regional Safe Schools			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,364	\$ 94,364
State sources	-	-	-	-	307,667	307,667	691,682	364,015
Federal sources	<u>128,219</u>	<u>128,219</u>	<u>128,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,066</u>	<u>121,066</u>
Total revenues	<u>128,219</u>	<u>128,219</u>	<u>128,219</u>	<u>-</u>	<u>307,667</u>	<u>307,667</u>	<u>907,112</u>	<u>599,445</u>
EXPENDITURES:								
Instructional services:								
Salaries	105,483	105,483	102,375	3,108	147,945	147,945	565,348	(417,403)
Employee benefits	13,438	13,438	21,575	(8,137)	31,473	31,473	106,264	(74,791)
Purchased services	3,200	3,200	1,082	2,118	124,274	124,274	153,985	(29,711)
Supplies and materials	6,098	6,098	3,774	2,324	-	-	36,725	(36,725)
Payments to other governments	-	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,975</u>	<u>3,975</u>	<u>32,323</u>	<u>(28,348)</u>
Total expenditures	<u>128,219</u>	<u>128,219</u>	<u>128,806</u>	<u>(587)</u>	<u>307,667</u>	<u>307,667</u>	<u>894,645</u>	<u>(586,978)</u>
NET CHANGE IN								
FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(587)</u>	<u>\$ (587)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>12,467</u>	<u>\$ 12,467</u>
FUND BALANCE (DEFICIT), UNRESERVED,								
BEGINNING OF YEAR								
			<u>1,123</u>				<u>170,675</u>	
FUND BALANCE (DEFICIT), UNRESERVED,								
END OF YEAR								
			<u>\$ 536</u>				<u>\$ 183,142</u>	

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2009

SCHEDULE 6
 (CONTINUED)

	Teacher Mentoring				Total			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,364	\$ 94,364
State sources	237,600	237,600	194,956	(42,644)	1,190,325	1,193,631	1,467,481	273,850
Federal sources	-	-	-	-	460,535	460,535	581,601	121,066
Total revenues	<u>237,600</u>	<u>237,600</u>	<u>194,956</u>	<u>(42,644)</u>	<u>1,650,860</u>	<u>1,654,166</u>	<u>2,143,446</u>	<u>489,280</u>
EXPENDITURES:								
Instructional services:								
Salaries	59,000	65,476	50,540	14,936	1,030,077	1,024,292	1,434,742	(410,450)
Employee benefits	1,000	1,946	1,797	149	178,426	178,392	266,279	(87,887)
Purchased services	112,600	127,800	90,719	37,081	328,095	347,127	350,433	(3,306)
Supplies and materials	65,000	42,378	52,715	(10,337)	103,761	93,854	129,370	(35,516)
Payments to other governments	-	-	-	-	4,500	4,500	11,813	(7,313)
Other objects	-	-	-	-	-	-	1,159	(1,159)
Capital outlay	-	-	-	-	6,001	6,001	33,349	(27,348)
Total expenditures	<u>237,600</u>	<u>237,600</u>	<u>195,771</u>	<u>41,829</u>	<u>1,650,860</u>	<u>1,654,166</u>	<u>2,227,145</u>	<u>(572,979)</u>
NET CHANGE IN								
FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(815)</u>	<u>\$ (815)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(83,699)</u>	<u>\$ (83,699)</u>
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR			-				208,777	
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR			<u>\$ (815)</u>				<u>\$ 125,078</u>	

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2009

SCHEDULE 7

ASSETS	<u>Bus Driver Training</u>	<u>General Education Development</u>	<u>Supervisory</u>	<u>Totals</u>
Cash (overdrafts) and cash equivalents	\$ (387)	\$ 36,929	\$ 5,488	\$ 42,030
TOTAL ASSETS	<u>\$ (387)</u>	<u>\$ 36,929</u>	<u>\$ 5,488</u>	<u>\$ 42,030</u>
LIABILITIES AND FUND BALANCES (DEFICIT)				
LIABILITIES				
Accounts payable	\$ -	\$ 244	\$ -	\$ 244
FUND BALANCES (DEFICIT)				
Unreserved	<u>(387)</u>	<u>36,685</u>	<u>5,488</u>	<u>41,786</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ (387)</u>	<u>\$ 36,929</u>	<u>\$ 5,488</u>	<u>\$ 42,030</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2009

	<u>Bus Driver Training</u>	<u>General Education Development</u>	<u>Supervisory</u>	<u>Totals</u>
REVENUES:				
Local sources	\$ 1,546	\$ 43,679	\$ 1,515	\$ 46,740
State sources	3,020	-	3,000	6,020
Total revenues	<u>4,566</u>	<u>43,679</u>	<u>4,515</u>	<u>52,760</u>
EXPENDITURES:				
Instructional services:				
Salaries	-	1,418	-	1,418
Employee benefits	-	109	-	109
Purchased services	3,358	5,184	1,662	10,204
Supplies and materials	122	13,298	-	13,420
Payments to other governments	25	95	-	120
Capital outlay	-	5,440	-	5,440
Total expenditures	<u>3,505</u>	<u>25,544</u>	<u>1,662</u>	<u>30,711</u>
NET CHANGE IN FUND BALANCES	1,061	18,135	2,853	22,049
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>(1,448)</u>	<u>18,550</u>	<u>2,635</u>	<u>19,737</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ (387)</u>	<u>\$ 36,685</u>	<u>\$ 5,488</u>	<u>\$ 41,786</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2009

	<u>Distributive Fund</u>	<u>Regional Board of School Trustees Fund</u>	<u>Cooperative Purchasing Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 280,098	\$ 1,515	\$ 200,500	\$ 482,113
LIABILITIES				
Due to other governments	\$ 280,098	\$ 1,515	\$ 200,500	\$ 482,113

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended June 30, 2009

SCHEDULE 10

	<u>Balance,</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>June 30, 2009</u>
DISTRIBUTIVE FUND				
ASSETS				
Cash and cash equivalents	\$ 12,249	8,609,491	8,341,642	\$ 280,098
LIABILITIES				
Due to other governments	\$ 12,249	\$ 8,609,491	\$ 8,341,642	\$ 280,098
 REGIONAL BOARD OF SCHOOL TRUSTEES FUND				
ASSETS				
Cash and cash equivalents	\$ 4,423	3,000	5,908	\$ 1,515
LIABILITIES				
Due to other governments	\$ 4,423	\$ 3,000	\$ 5,908	\$ 1,515
 COOPERATIVE PURCHASING FUND				
ASSETS				
Cash and cash equivalents	\$ 202,632	461,875	464,007	\$ 200,500
LIABILITIES				
Due to other governments	\$ 202,632	\$ 461,875	\$ 464,007	\$ 200,500
 TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 219,304	\$ 9,074,366	\$ 8,811,557	\$ 482,113
LIABILITIES				
Due to other governments	\$ 219,304	\$ 9,074,366	\$ 8,811,557	\$ 482,113

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 June 30, 2009

SCHEDULE 11

<u>Program</u>	<u>Cornell District 70</u>	<u>Cornell District 426</u>	<u>Flanagan District 4</u>	<u>Livingston County Special Services</u>	<u>Mackinaw Valley Special Education</u>	<u>Rooks Creek CSD 425</u>	<u>Regional Office of Education</u>	<u>Totals</u>
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,142	\$ 5,142
General State Aid	-	276,931	-	-	-	18,006	1,145,773	1,440,710
Special Education Private Facility	-	-	10,850	-	-	-	-	10,850
Special Education Extraordinary	26,741	-	10,076	-	-	6,352	-	43,169
Special Education Personnel	-	9,627	47,576	257,872	9,047	5,566	190,548	520,236
Summer Special Education	-	357	-	-	-	48	-	405
Career Lab	-	-	-	-	-	-	4,900	4,900
Illinois Free Lunch	-	913	322	847	-	2	1,033	3,117
Breakfast Illinois	-	165	31	54	67	-	240	557
ICCB Adult Education Basic	-	-	-	-	-	-	73,572	73,572
ICCB Adult Education Performance	-	-	-	-	-	-	72,741	72,741
ICCB Adult Education Public	-	-	-	-	-	-	56,250	56,250
Driver's Education	-	-	5,668	-	-	-	-	5,668
Transportation Regular	59,040	9,931	104,661	-	-	33,456	-	207,088
Transportation Special Education	9,812	27,294	85,620	5,884	-	1,349	-	129,959
School Bus Driver Training	-	-	-	-	-	-	1,546	1,546
Truant Alternative Optional Education	-	-	-	-	-	-	65,961	65,961
Regional Safe School Program	-	-	-	-	-	-	153,837	153,837
Early Childhood Block Grant	-	-	4,548	-	-	-	126,633	131,181
Reading Improvement Block Grant	-	2,705	-	-	-	1,930	-	4,635
ROE/ISC Operations	-	-	-	-	-	-	64,421	64,421
Supervisory	-	-	-	-	-	-	3,000	3,000
Safety Education Block Grant	-	4,325	-	-	-	1,678	-	6,003
Teacher Mentoring	-	-	-	-	-	-	200,349	200,349
National School Lunch Program	-	15,799	1,819	8,999	-	1,738	9,203	37,558
School Breakfast Program	-	7,405	404	5,001	-	516	8,206	21,532
Title I Low Income	-	41,072	-	-	-	-	-	41,072
Title I Migrant	-	-	-	-	-	-	23,136	23,136
Even Start Family Literacy	-	-	-	-	-	-	234,114	234,114
Title IV - Safe & Drug Free Schools - Formula	-	-	-	-	-	471	-	471
Preschool Special Ed.	-	-	-	78,699	74,000	-	-	152,699
IDEA Special Ed. Flow Through	-	-	-	1,916,003	1,995,973	-	-	3,911,976
IDEA Special Ed.	-	-	4,103	-	-	-	-	4,103
ICCB Federal Adult Education	-	-	-	-	-	-	128,219	128,219
ICCB English Language Civics	-	-	-	-	-	-	97,316	97,316
ARRA - General State Aid	-	104,417	-	-	-	5,054	338,074	447,545
Title II Teacher Quality	-	8,384	1,219	-	-	1,634	-	11,237
Manufacturing Innovation	-	-	-	-	-	-	25,367	25,367
Totals	<u>\$ 95,593</u>	<u>\$ 509,325</u>	<u>\$ 276,897</u>	<u>\$ 2,273,359</u>	<u>\$ 2,079,087</u>	<u>\$ 77,800</u>	<u>\$ 3,029,581</u>	<u>\$ 8,341,642</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

Federal Grantor/Pass- Through Grantor, Program or Cluster Title	CFDA Number	Project Number (1st 8 digits) or Contract #	Federal Expenditures 7/1/2008-6/30/2009
U.S. Department of Agriculture passed through			
Illinois State Board of Education:			
School Breakfast Program	10.553	08-4220-00	\$ 797
School Breakfast Program	10.553	09-4220-00	7,313
			<u>8,110</u>
National School Lunch Program	10.555	08-4210-00	801
National School Lunch Program	10.555	09-4210-00	8,085
			<u>8,886</u>
Total U.S. Department of Agriculture			<u>16,996</u>
U.S. Department of Education passed through			
Illinois State Board of Education:			
Evenstart Family Literacy	84.213C	09-4335-00	125,000
Evenstart Family Literacy	84.213C	09-4335-01	110,000
			<u>235,000</u>
Illinois State Board of Education:			
Title I - Migrant Education	84.011A	09-4340-01	<u>311</u>
Illinois State Board of Education:			
State Fiscal Stabilization Funds (SFSF) - Education State Grants Recovery Act (Education Stabilization Fund)			
(M) ARRA - General State Aid	84.394A	09-4850-93	104,070
State Fiscal Stabilization Funds (SFSF) - Education State Grants Recovery Act (Education Stabilization Fund)			
(M) ARRA - General State Aid	84.394A	09-4850-95	234,003
			<u>338,073</u>
Regional Office of Education No. 32 - I-Kan:			
Title I - School Improvement and Accountability	84.010A	09-4331-SS	<u>24,804</u>
Regional Office of Education No. 9:			
Title II - Teacher Quality	84.367A	09-4935-00	6,000
Regional Office of Education No. 32 - I-Kan:			
Title II - Teacher Quality	84.367A	09-4935-SS	30,005
Total Title II - Teacher Quality			<u>36,005</u>
Illinois Community College Board:			
Adult Education	84.002A	09-4800-00	97,316
Adult Education-English Language Civics Grant	84.002A	09-4805-00	128,219
Total Adult Education			<u>225,535</u>
Illinois Department of Human Services			
Step Grant	84.126	40C9001581	<u>56,733</u>
Total U.S. Department of Education			<u>916,461</u>
U.S. Department of Housing and Urban Development passed through			
Housing Authority of the City of Bloomington: Continuum of Care	14.235	08-4099-00	<u>29,356</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>962,813</u>

(M) Program was audited as a major program

The accompanying notes are an integral part of this schedule.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009**

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

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

NOTE 2 - SUBRECIPIENTS

NONE

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAMS

ARRA – General State Aid – was allocated through the State Fiscal Stabilization Funds (SFSF) section of the American Recovery and Reinvestment Act (ARRA). These funds will help stabilize the possible impact of the State's current fiscal deficit upon payment of general State aid to school districts.

NOTE 4 - NON-CASH ASSISTANCE

NONE

NOTE 5 - AMOUNT OF INSURANCE

NONE

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

NONE

This information is an integral part of the accompanying schedule.