



**State of Illinois
LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
FINANCIAL AUDIT
(In Accordance with the Single Audit Act
and OMB Circular A-133)
For the Year Ended June 30, 2008**

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

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47**

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**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47**

OFFICIALS

Regional Superintendent
(current and during the audit period)

Honorable Amy Jo Clemens

Assistant Regional Superintendent
(current and during the audit period)

Mr. Paul McMahon

Office is located at:

7772 Clinton St.
Dixon, IL 61021

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47**

COMPLIANCE REPORT SUMMARY

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

AUDITOR'S REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	1	0
Repeated audit findings	0	0
Prior recommendations implemented or not repeated	0	4

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

An additional matter which is less than a significant deficiency or material weakness but more than inconsequential, has been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, this issue may have been included as immaterial findings in the auditors' reports.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
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FINDINGS (GOVERNMENT AUDITING STANDARDS)

None

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

08-1	13-15	Inadequate Controls Over Cash Management	Significant Deficiency
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PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

None

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

None

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47**

COMPLIANCE REPORT SUMMARY

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on October 17, 2008. Attending were Honorable Amy Jo Clemens, Regional Superintendent and Ms. Paula McCoy from Lee/Ogle Counties Regional Office of Education No. 47; and Joe Hoerschelmann, from Clifton Gunderson LLP. Responses to the recommendations were provided by Honorable Amy Jo Clemens, Regional Superintendent, on September 16, 2009.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Lee/Ogle Counties Regional Office of Education No. 47 was performed by Clifton Gunderson LLP.

Based on their audit, the auditors expressed an unqualified opinion on the Lee/Ogle Counties Regional Office of Education No. 47'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 Lee/Ogle Counties Regional Office of Education No. 47, as of and for the year ended June 30, 2008, which collectively comprise the Lee/Ogle Counties Regional Office of Education No. 47's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Lee/Ogle Counties Regional Office of Education No. 47'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 Lee/Ogle Counties Regional Office of Education No. 47, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2009 on our consideration of Lee/Ogle Counties Regional Office of Education No. 47'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 18 through 31 and 63 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 Lee/Ogle Counties Regional Office of Education No. 47's basic financial statements. The accompanying supplemental information, such as the combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 Lee/Ogle Counties Regional Office of Education No. 47. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Clifton Henderson LLP

Clinton, Iowa
December 4, 2009

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lee/Ogle Counties Regional Office of Education No. 47, as of and for the year ended June 30, 2008, which collectively comprise the Lee/Ogle Counties Regional Office of Education No. 47's basic financial statements and have issued our report thereon dated December 4, 2009. 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 Lee/Ogle Counties Regional Office of Education No. 47's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the Lee/Ogle Counties Regional Office of Education No. 47's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lee/Ogle Counties Regional Office of Education No. 47's internal control over financial reporting.

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lee/Ogle Counties Regional Office of Education No. 47'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 noted certain matters which we have reported to management of the Lee/Ogle Counties Regional Office of Education No. 47 in a separate letter dated December 4, 2009.

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

Clifton Henderson LLP

Clinton, Iowa
December 4, 2009

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the compliance of the Lee/Ogle Counties Regional Office of Education No. 47 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, 2008. The Lee/Ogle Counties Regional Office of Education No. 47'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 Lee/Ogle Counties Regional Office of Education No. 47's management. Our responsibility is to express an opinion on the Lee/Ogle Counties Regional Office of Education No. 47'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 Lee/Ogle Counties Regional Office of Education No. 47'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 Lee/Ogle Counties Regional Office of Education No. 47's compliance with those requirements.

In our opinion, the Lee/Ogle Counties Regional Office of Education No. 47 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, 2008.

Internal Control Over Compliance

The management of the Lee/Ogle Counties Regional Office of Education No. 47 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 Lee/Ogle Counties Regional Office of Education No. 47'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 Lee/Ogle Counties Regional Office of Education No. 47'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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 08-1 to be a significant deficiency.

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

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

Lee/Ogle Counties Regional Office of Education No. 47's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Lee/Ogle Regional Office of Education No. 47's responses and, accordingly, we express no opinion on them.

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

Clifton Henderson LLP

Clinton, Iowa
December 4, 2009

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

Section I: Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: _____ Unqualified _____

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.366B	Mathematics and Science Partnership

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

Auditee qualified as low-risk auditee? x yes _____ no

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

Section II: Financial Statement Findings:

None

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

Section III: Findings and Questioned Costs for Federal Awards:

FINDING NO. 08-1 - Inadequate Controls Over Cash Management

Federal Program Name & Year: Mathematics and Science Partnership

Project Numbers: 07-4936-01 and 08-4936-01

CFDA Number: 84.366B

Passed Through: Illinois State Board of Education

Federal Agency: U.S. Department of Education

Criteria/Specific Requirement:

The Regional Office of Education (ROE) Accounting Manual states that if dollars from two or more sources of funds (SOF) are combined in one bank account and/or fund, the ROE must allocate, on a reasonable basis, a portion of the interest earned on that bank account or fund to each of those SOF. The allocation should be done no less than monthly when bank statements are received. Once the interest is allocated to the appropriate SOF, certain rules apply to the expenditure of that interest. The *ROE Accounting Manual* states that the rules for allocating and expending interest vary depending on the SOF that generated the interest.

Unless the grant agreement specifically addresses the interest issue and provides otherwise, the following rules would apply.

- The Grant Funds Recovery Act (30 ILCS 705/1 et seq.) states that interest earned on grant funds becomes part of the grant principal and is treated accordingly for all purposes unless the grant agreement and/or the grant regulations provides otherwise. The Act further states that any grant funds not expended (or legally obligated) by the end of the grant period must be returned to the grantor. This applies to State and federal grants.
- Generally, federal rules supersede those of the State (for federal grants only). If a federal rule allows different treatment of interest, then the federal rule would be followed.
- Federal cash management requirements state that grantees and subgrantees shall minimize the time elapsed between the receipt of funds and the expenditure of those funds. The accumulation of interest would indicate excess cash on hand.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

Section III: Findings and Questioned Costs for Federal Awards:

FINDING NO. 08-1 - Inadequate Controls Over Cash Management (Continued)

- U.S. Department of Education (USDE) regulations appear in 34 Code of Federal Regulations (CFR). Part 80 of 34 CFR is titled: "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments". It is also known as the "Common Rule" because most federal agencies have adopted it in their regulations. The "Common Rule" states that annual interest earned in excess of \$100 on advances of funds must be submitted promptly to the granting agency. The \$100 may be spent on administrative costs. Those administrative costs must be for that grant and within the grant period. Some grants may be exempt from the "Common Rule".

Condition:

The Regional Office of Education earned approximately \$140 in interest on Mathematics and Science Partnership advancements and did not remit amounts in excess of \$100 to the federal agency on at least a quarterly basis. This amount was calculated by using a method that calculated interest earned on a monthly basis.

Questioned Costs:

Mathematics and Science Partnership - \$40

Context:

N/A

Effect:

The Regional Office of Education was not in compliance with requirements for the Mathematics and Science Partnership grant regarding the cash management procedures.

Cause:

The Regional Office of Education did not follow applicable cash management compliance requirements for the Mathematics and Science Partnership grant and expended funds that were due back to the granting agency.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

Section III: Findings and Questioned Costs for Federal Awards:

FINDING NO. 08-1 - Inadequate Controls Over Cash Management (Continued)

Recommendation:

The Regional Office of Education should monitor interest earned on federal advances. Any interest amounts in excess of \$100 should be remitted on at least a quarterly basis to the appropriate granting agency as required by rules, regulations, or statutes.

Management's Response:

The Regional Office of Education earned more than \$100 in interest for the Illinois Math Science Partnership for months in which there were more receipts than expenditures. However, it should also be noted that the Regional Office of Education also had months in which expenditures exceeded receipts and the office had to "carry" the program, which is not taken into consideration for this calculation. Regardless, the Regional Office of Education recognizes that the federal rules and regulations must be followed and will make adjustments to its financial operations to eliminate this in the future.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ended June 30, 2008**

FINDING NO. 08-1 - Inadequate Controls Over Cash Management

Condition:

The Regional Office of Education earned approximately \$140 in interest on Mathematics and Science Partnership advancements and did not remit amounts in excess of \$100 to the federal agency on at least a quarterly basis. This amount was calculated by using a method that calculated interest earned on a monthly basis.

Plan:

The Regional Office of Education will calculate the interest earned on federal funds and follow program guidelines regarding any excess interest earned.

Anticipated Completion Date:

Immediately

Contact Person Responsible for Corrective Action:

Honorable Amy Jo Clemens, Regional Superintendent

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2008**

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
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None		
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Management's Discussion and Analysis

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

Lee/Ogle Counties Regional Office of Education No. 47 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2008. We encourage readers to consider this information in conjunction with Lee/Ogle Counties Regional Office of Education No. 47's financial statements, which follow.

2008 FINANCIAL HIGHLIGHTS

- General Fund revenues decreased from \$631,931 in fiscal year 2007 to \$606,395 in fiscal year 2008, while General Fund expenditures increased from \$534,077 in fiscal year 2007 to \$566,278 in fiscal year 2008. The reason for the change is attributable to a reduction in programs that support the operations of the Regional Office and more of a focus on programs that support the schools and communities the Regional Office serves. These programs are funded by the Education Fund, which showed an increase in both revenue and expenditures.
- Education Fund revenues increased from \$1,588,356 in fiscal year 2007 to \$1,718,839 in fiscal year 2008. Expenses also increased from \$1,534,825 in fiscal year 2007 to \$1,760,238 in fiscal year 2008. The increase in revenues and expenses in the Education Fund is due to the expansion of several programs: our Alternative Learning Opportunities Program served twice as many students in 2008 as in 2007, and implemented a new lunch program. Our RESPRO support to struggling schools grant was increased by ISBE to include non-Title I schools as well as Title I schools. Additionally, several programs were expanded due to increased responsibilities and services offered: Social Emotional Learning and Truants Alternative and Optional Education Program are examples.
- Institute Fund revenues decreased from \$22,375 in fiscal year 2007 to \$20,273 in fiscal year 2008. The decrease was primarily due to 2008 being the first of two years of low numbers of renewals in the five-year teacher certificate renewal cycles. Expenses in the Institute Fund decreased from \$54,831 in fiscal year 2007 to \$15,262 in fiscal year 2008. This decrease was primarily due to using 2008 as a planning year for the Regional Institute which will be conducted October 2008. Fiscal year 2009 will show greatly increased expenses due to this institute, which the Regional Office conducts every three to four years.
- Enterprise Fund revenues decreased from \$158,188 in fiscal year 2007 to \$134,556 in fiscal year 2008. This decrease was primarily due to a reduction in the number of professional development opportunities funded outside of grants or other programs. As our programs and grants expanded (as is shown in the increase in the Education Fund) the activities funded with the Enterprise Fund were reduced. Additionally, professional development activities planned with these funds allow teachers to meet their certificate renewal requirements. As stated before, 2008 and 2009 are cycles in which far fewer teachers renew their certificates, thus reducing their attendance at the activities designed to help them meet these requirements.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

- Government-wide revenues increased by approximately 3% from \$2,432,858 in fiscal year 2007 to \$2,515,105 in fiscal year 2008. Government-wide expenses increased by approximately 7% from \$2,340,278 in fiscal year 2007 to \$2,497,435 in fiscal year 2008.

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 Lee/Ogle Counties Regional Office of Education No. 47'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 Lee/Ogle Counties Regional Office of Education No. 47 as a whole and present an overall view of Lee/Ogle Counties Regional Office of Education No. 47's finances.

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 Lee/Ogle Counties Regional Office of Education No. 47's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Lee/Ogle Counties Regional Office of Education No. 47 acts solely as an agent or custodian for the benefit of those outside of Lee/Ogle Counties Regional Office of Education No. 47.

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 Lee/Ogle Counties Regional Office of Education No. 47's financial statements, including the portion of Lee/Ogle Counties Regional Office of Education No. 47's activities they cover and the types of information they contain.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

**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 No. 47 (except fiduciary funds)	The activities of Regional Office of Education No. 47 that are not proprietary or fiduciary, such as grants and statutory funds	Activities Regional Office of Education No. 47 operates similar to private businesses: workshops	Instances in which Regional Office of Education No. 47 administers resources on behalf of someone else, such as the distributive fund and Private Purpose Trust 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 • Statement of Changes in 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

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

**REPORTING LEE/OGLE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 47'S
FINANCIAL ACTIVITIES**

Government-wide Financial Statements

The government-wide financial statements report information about Lee/Ogle Counties Regional Office of Education No. 47 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of Lee/Ogle Counties Regional Office of Education No. 47'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 Lee/Ogle Counties Regional Office of Education No. 47's net assets and how they have changed. Net assets - the difference between Lee/Ogle Counties Regional Office of Education No. 47's assets and liabilities - are one way to measure Lee/Ogle Counties Regional Office of Education No. 47's financial health or financial position. Over time, increases or decreases in Lee/Ogle Counties Regional Office of Education No. 47's net assets are an indicator of whether financial position is improving or deteriorating. To assess Lee/Ogle Counties Regional Office of Education No. 47's overall health, additional non-financial factors, such as changes in Lee/Ogle Counties Regional Office of Education No. 47's grant funding and the condition of facilities need to be considered.

In the government-wide financial statements, Lee/Ogle Counties Regional Office of Education No. 47's activities are divided into two categories:

- *Governmental activities:* Most of Lee/Ogle Counties Regional Office of Education No. 47'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:* Lee/Ogle Counties Regional Office of Education No. 47 charges fees to help cover the costs of certain services it provides. Lee/Ogle Counties Regional Office of Education No. 47's Workshop Fund is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about Lee/Ogle Counties Regional Office of Education No. 47's funds, focusing on its most significant or "major" funds - not Lee/Ogle Counties Regional Office of Education No. 47 as a whole. Funds are accounting devices Lee/Ogle Counties Regional Office of Education No. 47 uses to keep track of specific sources of funding and spending on particular programs.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

Some funds are required by state law. Lee/Ogle Counties Regional Office of Education No. 47 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.

Lee/Ogle Counties Regional Office of Education No. 47 has three kinds of funds:

1) *Governmental funds*: Most of Lee/Ogle Counties Regional Office of Education No. 47'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 Lee/Ogle Counties Regional Office of Education No. 47's programs.

Lee/Ogle Counties Regional Office of Education No. 47'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 Lee/Ogle Counties Regional Office of Education No. 47 charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. Lee/Ogle Counties Regional Office of Education No. 47'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. Lee/Ogle Counties Regional Office of Education No. 47 currently has two Enterprise Funds, the School Improvement Plan (SIP) and the Workshop 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*: Lee/Ogle Counties Regional Office of Education No. 47 is the trustee for assets that belong to others. These funds include a Private-Purpose Trust Fund and Agency Funds.

- Private-Purpose Trust Fund - This is a fund that contains funds that remain on account from the interest accumulated when the Regional Office collected and distributed state funds to the districts. This practice was phased-out over several years as individual districts were able to accept electronic funds from the state into their local banks. The practice was totally eliminated before 2006, yet the interest has continued to be held by the Regional Office in this fund.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

- Agency Funds - These are funds through which Lee/Ogle Counties Regional Office of Education No. 47 administers and accounts for certain federal and/or state grants on behalf of others.

Lee/Ogle Counties Regional Office of Education No. 47 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. Lee/Ogle Counties Regional Office of Education No. 47 excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statements for fiduciary funds include a Statement of Fiduciary Net Assets and a Statement of Changes in 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 Lee/Ogle Counties Regional Office of Education No. 47, assets exceeded liabilities by \$497,170 as of June 30, 2008.

A portion of Lee/Ogle Counties Regional Office of Education No. 47's net assets (13%) 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 Lee/Ogle Counties Regional Office of Education No. 47'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.

Lee/Ogle Counties Regional Office of Education No. 47'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 Lee/Ogle Counties Regional Office of Education No. 47's net assets for the fiscal year ended June 30, 2008 and 2007.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

<u>2008</u>	Governmental Activities	Business- Type Activities	Total
Current assets	\$ 416,576	\$ 74,772	\$ 491,348
Capital assets, net of accumulated depreciation	<u>66,640</u>	<u>-</u>	<u>66,640</u>
Total assets	<u>483,216</u>	<u>74,772</u>	<u>557,988</u>
Current liabilities	<u>60,234</u>	<u>584</u>	<u>60,818</u>
Net assets			
Invested in capital assets	66,640	-	66,640
Unrestricted	295,326	74,188	369,514
Restricted for teacher professional development	<u>61,016</u>	<u>-</u>	<u>61,016</u>
Total net assets	<u>\$ 422,982</u>	<u>\$ 74,188</u>	<u>\$ 497,170</u>
<u>2007</u>	Governmental Activities	Business- Type Activities	Total
Current assets	\$ 439,331	\$ 58,712	\$ 498,043
Capital assets, net of accumulated depreciation	<u>70,058</u>	<u>-</u>	<u>70,058</u>
Total assets	<u>509,389</u>	<u>58,712</u>	<u>568,101</u>
Current liabilities	<u>87,212</u>	<u>1,389</u>	<u>88,601</u>
Net assets			
Invested in capital assets	70,058	-	70,058
Unrestricted	296,114	57,323	353,437
Restricted for teacher professional development	<u>56,005</u>	<u>-</u>	<u>56,005</u>
Total net assets	<u>\$ 422,177</u>	<u>\$ 57,323</u>	<u>\$ 479,500</u>

The largest portion of Lee/Ogle Counties Regional Office of Education No. 47'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 \$369,514 at year end. In addition, net assets related to the Institute Fund are considered restricted for teacher professional development.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

Changes in net assets. Lee/Ogle Counties Regional Office of Education No. 47's total revenue for the fiscal year ended June 30, 2008 was \$2,515,105. The total cost of all programs and services was \$2,509,070. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2008 and 2007.

2008

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ -	\$ 134,556	\$ 134,556
Operating grants and contributions	1,771,235	-	1,771,235
General revenues			
Local sources	227,303	-	227,303
State sources	4,822	-	4,822
On-behalf payment	<u>377,189</u>	<u>-</u>	<u>377,189</u>
Total revenues	<u>2,380,549</u>	<u>134,556</u>	<u>2,515,105</u>
Expenses:			
Education			
Salaries	684,380	2,957	687,337
Benefits	89,883	421	90,304
Purchased services	561,702	109,791	671,493
Supplies and materials	90,114	4,522	94,636
Depreciation	27,374	-	27,374
Payments to other governments	548,400	-	548,400
Capital outlay	702	-	702
Administrative			
On-behalf payments	<u>377,189</u>	<u>-</u>	<u>377,189</u>
Total expenses	<u>2,379,744</u>	<u>117,691</u>	<u>2,497,435</u>
Change in net assets	805	16,865	17,670
Net assets, beginning	<u>422,177</u>	<u>57,323</u>	<u>479,500</u>
Net assets, ending	<u>\$ 422,982</u>	<u>\$ 74,188</u>	<u>\$ 497,170</u>

Operating grants and contributions account for 70% of the total revenue. Lee/Ogle Counties Regional Office of Education No. 47's expenses primarily relate to education, which account for 85% of the total expenses.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

<u>2007</u>	Governmental Activities	Business- Type Activities	Total
Revenues:			
Program revenues			
Charges for services	\$ -	\$ 158,188	\$ 158,188
Operating grants and contributions	1,642,081	-	1,642,081
General revenues			
Local sources	339,632	-	339,632
On-behalf payments	287,367	-	287,367
Interest income	<u>5,590</u>	<u>-</u>	<u>5,590</u>
Total revenues	<u>2,274,670</u>	<u>158,188</u>	<u>2,432,858</u>
Expenses:			
Education			
Salaries	583,061	-	583,061
Benefits	87,164	776	87,940
Purchased services	524,319	154,590	678,909
Supplies and materials	75,145	7,668	82,813
Depreciation	24,084	-	24,084
Payments to other governments	598,484	-	598,484
Other objects	2,398	-	2,398
Capital outlay	(4,778)	-	(4,778)
Administrative			
On-behalf payments	<u>287,367</u>	<u>-</u>	<u>287,367</u>
Total expenses	<u>2,177,244</u>	<u>163,034</u>	<u>2,340,278</u>
Change in net assets	97,426	(4,846)	92,580
Net assets, beginning	386,920	-	386,920
Fund reclassifications	<u>(62,169)</u>	<u>62,169</u>	<u>-</u>
Net assets, ending	<u>\$ 422,177</u>	<u>\$ 57,323</u>	<u>\$ 479,500</u>

Operating grants and contributions account for 67% of the total revenue. Lee/Ogle Counties Regional Office of Education No. 47's expenses primarily relate to education, which account for 88% of the total expenses.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

Governmental Activities

Revenues for governmental activities were \$2,380,549 and \$2,274,670 and expenses were \$2,379,744 and \$2,177,244 for 2008 and 2007, respectively.

The following tables present the cost of Lee/Ogle Counties Regional Office of Education No. 47'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 Lee/Ogle Counties Regional Office of Education No. 47's residents by each of these functions.

2008

	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Education		
Salaries	\$ 684,380	\$ (78,019)
Benefits	89,883	(10,247)
Purchased services	561,702	(64,034)
Supplies and materials	90,114	(10,273)
Depreciation	27,374	(27,374)
Payments to other governments	548,400	(62,518)
Capital outlay	702	21,145
Administrative		
On-behalf payments	<u>377,189</u>	<u>(377,189)</u>
Total expenses	<u>\$ 2,379,744</u>	<u>\$ (608,509)</u>

2007

	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Education		
Salaries	\$ 583,061	\$ 10,237
Benefits	87,164	(2,623)
Purchased services	524,319	(119,187)
Supplies and materials	75,145	(19,779)
Depreciation	24,084	(24,084)
Payments to other governments	598,484	(98,901)
Other objects	2,398	(2,398)
Capital outlay	(4,778)	8,939
Administrative		
On-behalf payments	<u>287,367</u>	<u>(287,367)</u>
Total expenses	<u>\$ 2,177,244</u>	<u>\$ (535,163)</u>

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

- The cost of all governmental activities was \$2,379,744 and \$2,177,244 for 2008 and 2007, respectively.
- Federal and state governments subsidized certain governmental activities with grants and contributions of \$1,771,235 and \$1,642,081 for 2008 and 2007, respectively.

Net cost of governmental activities (\$608,509), was financed by general revenues, which are made up of primarily local sources (\$227,303), state sources (\$4,822), and on-behalf payments (\$377,189) for 2008.

Net cost of governmental activities (\$535,163), was financed by general revenues, which are made up of primarily local sources (\$339,632), on-behalf payments (\$287,367), and interest (\$5,590) for 2007.

Business-Type Activities

Revenues for business-type activities were \$134,556 and \$158,188 and expenses were \$117,691 and \$163,034 for 2008 and 2007, respectively. Lee/Ogle Counties Regional Office of Education No. 47's business-type activities include the School Improvement Plan (SIP) and the Workshops Fund. Revenues of these activities were comprised of charges for service, local reimbursements, and investment income.

INDIVIDUAL FUND ANALYSIS

As previously noted, Lee/Ogle Counties Regional Office of Education No. 47 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of Lee/Ogle Counties Regional Office of Education No. 47 as a whole is reflected in its governmental funds, as well. As Lee/Ogle Counties Regional Office of Education No. 47 completed the year, its governmental funds reported a combined fund balance of \$356,342, above last year's ending fund balances of \$352,119.

Governmental Fund Highlights

The General Fund fund balance increased from \$218,811 in 2007 to \$258,928 in 2008. The increase in fund balance was small in comparison to expenditures of \$566,278. The General Fund fund balance increase was mostly attributable to the elimination or reduction of programs that support the general operations of the Regional Office.

The Education Fund fund balance decreased from \$72,271 in 2007 to \$30,872 in 2008. The Education Fund is primarily made up of grants the Regional Office receives and this 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 expenditures exceeded revenues by \$41,399 thus lowering the fiscal year 2007 balance from \$72,271 to \$30,872 in fiscal year 2008. In consideration that the total Education Fund revenue is \$1,718,839, \$41,399 is a very small change.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

Proprietary Fund Highlights

Enterprise Fund net assets increased from \$57,323 at June 30, 2007 to \$74,188 at June 30, 2008, representing an increase of approximately 29%. The School Improvement Plan's (SIP) assets are primarily made up of funds the Regional Office receives for providing professional development activities to the districts which are based on their school improvement plans. The Workshop Fund's assets are primarily made up of funds the Regional Office receives for providing professional development to individual teachers. These teachers use these activities to satisfy their certificate renewal requirements.

The Enterprise Fund revenues have decreased from \$158,188 in fiscal year 2007 to \$134,556 in fiscal year 2008. Revenue in the Enterprise Fund is largely dependent on participation in the ROE workshops, which varies from year to year. The teacher certification renewals happen in five year cycles. Both 2008 and 2009 are cycles in which few teachers renew their certificates; likewise, fewer teachers attend workshops that are designed to help teachers meeting these requirements.

BUDGETARY HIGHLIGHTS

Lee/Ogle Counties Regional Office of Education No. 47 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, Lee/Ogle Counties Regional Office of Education No. 47 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.

CAPITAL ASSETS

As of June 30, 2008, Lee/Ogle Counties Regional Office of Education No. 47 had invested \$66,640 in capital assets, including furniture and equipment. This is a decrease from \$70,058 invested in capital assets, including furniture and equipment on June 30, 2007. Total depreciation expense for the year was \$27,374.

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	\$ 66,640	-	\$ 66,640

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Furniture and equipment	\$ 70,058	-	\$ 70,058

Additional information on Lee/Ogle Counties Regional Office of Education No. 47's capital assets can be found in Note 4 on page 54 of this report.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

ECONOMIC FACTORS BEARING ON LEE/OGLE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 47'S FUTURE

At the time these financial statements were prepared and audited, Lee/Ogle Counties Regional Office of Education No. 47 was aware of several existing circumstances that could significantly affect its financial health in the future:

Several of the large grant programs are on three-year cycles for renewal. As a grant comes up for renewal, a competitive grant application must be submitted. Due to the competitive nature of the proposals, funding for these programs is in jeopardy until final award notification is given by ISBE. For 2008, the McKinney-Vento Homeless Education Grant application had to be submitted in the ISBE competitive grant process. In 2009, the Illinois Math and Science Partnership grant will need to be re-submitted as a competitive application. In 2010, the Truants Alternative Opportunities Education Program will need to be submitted.

CONTACTING LEE/OGLE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 47'S FINANCIAL MANAGEMENT

This financial report is designed to provide Lee/Ogle Counties Regional Office of Education No. 47's citizens, taxpayers, customers, and creditors with a general overview of Lee/Ogle Counties Regional Office of Education No. 47's finances and to demonstrate Lee/Ogle Counties Regional Office of Education No. 47's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lee/Ogle Counties Regional Office of Education No. 47, 7772 Clinton Street, Dixon, Illinois 61021.

BASIC FINANCIAL STATEMENTS

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
STATEMENT OF NET ASSETS
June 30, 2008

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 337,310	\$ 67,572	\$ 404,882
Prepaid expenses	14,925	7,200	22,125
Due from other governments	64,341	-	64,341
Total current assets	416,576	74,772	491,348
Non-current assets:			
Capital assets, being depreciated, net	66,640	-	66,640
Total assets	483,216	74,772	557,988
LIABILITIES			
Current liabilities:			
Accounts payable	48,865	584	49,449
Deferred revenue	11,369	-	11,369
Total current liabilities	60,234	584	60,818
NET ASSETS			
Invested capital assets	66,640	-	66,640
Unrestricted	295,326	74,188	369,514
Restricted for teacher professional development	61,016	-	61,016
Total net assets	\$ 422,982	\$ 74,188	\$ 497,170

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

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 STATEMENT OF ACTIVITIES
 Year Ended June 30, 2008

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Operating		Primary Government		
		Charges for Services	Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
Education:						
Salaries	\$ 684,380	\$ -	\$ 606,361	\$ (78,019)	\$ -	\$ (78,019)
Benefits	89,883	-	79,636	(10,247)	-	(10,247)
Purchased services	561,702	-	497,668	(64,034)	-	(64,034)
Supplies and materials	90,114	-	79,841	(10,273)	-	(10,273)
Depreciation	27,374	-	-	(27,374)	-	(27,374)
Payments to other governments	548,400	-	485,882	(62,518)	-	(62,518)
Capital outlay	702	-	21,847	21,145	-	21,145
Administrative:						
On-behalf payments	377,189	-	-	(377,189)	-	(377,189)
Total governmental activities	2,379,744	-	1,771,235	(608,509)	-	(608,509)
Business-type activities:						
Other	117,691	134,556	-	-	16,865	16,865
Total primary government	\$ 2,497,435	\$ 134,556	\$ 1,771,235	(608,509)	16,865	(591,644)
General revenues:						
Local sources				227,303	-	227,303
State sources				4,822	-	4,822
On-behalf payments				377,189	-	377,189
Total general revenue				609,314	-	609,314
CHANGES IN NET ASSETS				805	16,865	17,670
NET ASSETS, BEGINNING OF YEAR				422,177	57,323	479,500
NET ASSETS, END OF YEAR	\$ 422,982	\$ 74,188		\$ 74,188	\$ 497,170	

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

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 June 30, 2008

	General Fund	Education Fund	Institute Fund	Other Non-Major Funds	Total
ASSETS					
Cash and cash equivalents	\$ 261,868	\$ 18,803	\$ 56,581	\$ 58	\$ 337,310
Prepaid expenses	-	10,490	4,435	-	14,925
Due from other governments	-	57,400	-	6,941	64,341
TOTAL ASSETS	\$ 261,868	\$ 86,693	\$ 61,016	\$ 6,999	\$ 416,576
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 2,940	\$ 44,452	\$ -	\$ 1,473	\$ 48,865
Deferred revenue	-	11,369	-	-	11,369
Total liabilities	2,940	55,821	-	1,473	60,234
FUND BALANCES					
Unreserved, reported in:					
General fund	258,928	-	-	-	258,928
Special revenue funds	-	30,872	61,016	5,526	97,414
Total fund balances	258,928	30,872	61,016	5,526	356,342
TOTAL LIABILITIES AND FUND BALANCES	\$ 261,868	\$ 86,693	\$ 61,016	\$ 6,999	\$ 416,576

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

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2008

Total fund balances of governmental funds (page 35)	\$	356,342
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		<u>66,640</u>
Net assets of governmental activities (page 33)	\$	<u>422,982</u>

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

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2008**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Institute Fund</u>	<u>Other Non-Major Funds</u>	<u>Total</u>
REVENUES:					
Local sources	\$ 148,590	\$ 25,998	\$ 20,273	\$ 32,442	\$ 227,303
State sources	80,616	1,028,814	-	2,600	1,112,030
Federal sources	-	664,027	-	-	664,027
On-behalf payments	377,189	-	-	-	377,189
Total revenues	<u>606,395</u>	<u>1,718,839</u>	<u>20,273</u>	<u>35,042</u>	<u>2,380,549</u>
EXPENDITURES:					
Education:					
Salaries	68,929	610,009	-	5,442	684,380
Benefits	10,164	79,361	-	358	89,883
Purchased services	89,811	431,213	14,344	26,334	561,702
Supplies and materials	10,683	76,099	918	2,414	90,114
Payments to other governments	2,883	545,517	-	-	548,400
On-behalf payments	377,189	-	-	-	377,189
Capital outlay	6,619	18,039	-	-	24,658
Total expenditures	<u>566,278</u>	<u>1,760,238</u>	<u>15,262</u>	<u>34,548</u>	<u>2,376,326</u>
NET CHANGE IN FUND BALANCES	40,117	(41,399)	5,011	494	4,223
FUND BALANCE, BEGINNING OF YEAR	<u>218,811</u>	<u>72,271</u>	<u>56,005</u>	<u>5,032</u>	<u>352,119</u>
FUND BALANCE, END OF YEAR	<u>\$ 258,928</u>	<u>\$ 30,872</u>	<u>\$ 61,016</u>	<u>\$ 5,526</u>	<u>\$ 356,342</u>

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

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2008

Net change in fund balances (page 37) **\$ 4,223**

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	\$ 23,956		
Depreciation expense	<u>(27,374)</u>	<u>(3,418)</u>	

Change in net assets of governmental activities (page 34) **\$ 805**

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

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 June 30, 2008

	Business-Type Activities - Enterprise Funds		
	School Improvement <u>Plan (SIP)</u>	<u>Workshops</u>	<u>Total</u>
	ASSETS		
Current assets:			
Cash and cash equivalents	\$ 6,558	\$ 61,014	\$ 67,572
Prepaid expenses	<u>7,200</u>	<u>-</u>	<u>7,200</u>
Total current assets	13,758	61,014	74,772
LIABILITIES			
Accounts payable	<u>-</u>	<u>584</u>	<u>584</u>
NET ASSETS			
Unrestricted	<u>\$ 13,758</u>	<u>\$ 60,430</u>	<u>\$ 74,188</u>

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

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 June 30, 2008

	Business-Type Activities - Enterprise Funds		
	School Improvement Plan (SIP)	Workshops	Total
Operating revenues:			
Charges for services	\$ 51,835	\$ 82,721	\$ 134,556
Operating expenses:			
Education:			
Salaries	-	2,957	2,957
Benefits	-	421	421
Purchased services	47,119	62,672	109,791
Supplies and materials	948	3,574	4,522
Total operating expenses	48,067	69,624	117,691
Operating income (loss)	3,768	13,097	16,865
Total net assets, beginning of year	9,990	47,333	57,323
Total net assets, end of year	\$ 13,758	\$ 60,430	\$ 74,188

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

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 June 30, 2008

	Business-Type Activities - Enterprise Funds		
	School Improvement Plan (SIP)	Workshops	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from workshops and services	\$ 53,007	\$ 82,871	\$ 135,878
Payments to suppliers and providers of goods and services	(55,267)	(67,051)	(122,318)
Payments to employees	-	(3,378)	(3,378)
Net cash provided by (used in) operating activities	(2,260)	12,442	10,182
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,260)	12,442	10,182
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	8,818	48,572	57,390
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 6,558	\$ 61,014	\$ 67,572
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income	\$ 3,768	\$ 13,097	\$ 16,865
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
Decrease in due from other governments	1,172	150	1,322
Increase in prepaid expenses	(7,200)	-	(7,200)
Decrease in accounts payable	-	(805)	(805)
	(6,028)	(655)	(6,683)
Net cash provided by (used in) operating activities	\$ (2,260)	\$ 12,442	\$ 10,182

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

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 June 30, 2008

	Private- Purpose Trust <u>Fund</u>	Agency <u>Funds</u>
ASSETS		
Current assets:		
Cash	\$ 27,408	\$ 927
LIABILITIES		
Current liabilities:		
Due to other governmental agencies	<u>-</u>	<u>927</u>
NET ASSETS		
Unrestricted		
Held in trust for other purposes	<u>\$ 27,408</u>	<u>\$ -</u>

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

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended June 30, 2008

	Private- Purpose Trust <u>Fund</u>
ADDITIONS	
None	\$ -
DEDUCTIONS	
None	<u>-</u>
Change in net assets	-
Total net assets, beginning of year	<u>27,408</u>
Total net assets, end of year	<u>\$ 27,408</u>

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

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lee/Ogle Counties Regional Office of Education No. 47 was formed under the provisions of the State of Illinois, Illinois State Board of Education. The Lee/Ogle Counties Regional Office of Education No. 47 operates under the School Code (105 ILCS 5/3 and 5/3A). The Regional Office of Education No. 47 encompasses Lee/Ogle 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.

Reporting Entity

The Regional Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to State controlled universities; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teachers meetings and assist in their management; evaluate the schools in the region; and file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; proving notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before September 30; maintenance of a map and numbering of the Lee/Ogle Counties Regional Office of Education No. 47's districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

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

The Lee/Ogle Counties Regional Office of Education No. 47's reporting entity includes all related organizations for which it exercises oversight responsibility in accordance with Statement No. 14 of the Governmental Accounting Standards Board.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Lee/Ogle Counties Regional Office of Education No. 47 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Lee/Ogle Counties Regional Office of Education No. 47's geographic responsibility, including joint agreements which serve pupils from numerous school districts, should be included within its financial reporting entity. The criteria include but are not limited to, whether the Lee/Ogle Counties Regional Office of Education No. 47 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

A joint agreement (Lee County Film Coop) has been determined to be part of the reporting entity after applying the manifesting of oversight, scope of public service and special financing relationships criteria and is therefore included in the accompanying financial statements because Lee/Ogle Counties Regional Office of Education No. 47 does control the assets, operations or management of the joint agreement. However, there is not any entity which would exercise such oversight as to result in Lee/Ogle Counties Regional Office of Education No. 47 being considered a component unit of the entity.

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 Lee/Ogle Counties Regional Office of Education No. 47. 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 Lee/Ogle Counties Regional Office of Education No. 47'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.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements - Separate financial statements are provided for governmental funds, 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.

Lee/Ogle Counties Regional Office of Education No. 47 reports the following major governmental funds:

The General Fund is the operating fund of the Lee/Ogle Counties Regional Office of Education No. 47. 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 Lee/Ogle Counties Regional Office of Education No. 47:

ROE Operations - used to account for grant monies received for, and payment of, assisting schools in all areas of school improvement.

Local Fund - to account for monies received for, and payment of, expenditures for various educational workshops and interest income related to various grants.

Major Special Revenue Funds - This fund type includes specific revenue sources that are restricted by law or regulation as to their use. Lee/Ogle Counties Regional Office of Education No. 47 reports the following major special revenue funds:

Institute Fund - The Institute Fund is used to account for the stewardship of the assets held in trust for the benefit of the teachers. Fees are collected from registration of teachers' certificates of qualification. These funds are to be used to defray expenses connected with improving the technology necessary for the efficient processing of certificates as well as any expenses incidental to teachers' institutes, conferences and workshops or meetings of a professional nature that are designed to promote growth of teachers. All funds generated remain restricted until expended only on the aforementioned activities.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Illinois Family Violence Coordinating Council - to account for grant monies received for, and payment of, expenditures relating to violence prevention.

Mathematics and Science Partnership - to account for grant monies received for, and payment of, expenditures for improving teacher knowledge and skills in mathematics and science such that they prepare content-rich, contextual learning experiences which will increase the achievement of their middle school students in math and/or science.

Rural Education Achievement Program - to account for the grant monies received for, and payment of, expenditures related to this program.

McKinney Education for Homeless Children - to account for the grant monies received for, and payment of, expenditures relating to McKinney Education for Homeless Children program.

Learning Improvement Through Non-Traditional Curriculum (LINC) - to account for grant monies received for, and payment of, expenditures for facilitation of the Internal Review of the Quality Review Process with local school districts relating to the LINC program.

Balance and Restorative Justice - to account for grant monies received for, and payment of, expenditures relating to Balance Restorative Justice.

Truants Alternative Education - to account for grant monies received for, and payment of, expenditures related to Truants Alternative Education Program.

English Language - to account for the grant monies received for, and payment of, the expenditures relating to the English Program.

Teacher Mentoring Pilot Program - to account for the grant monies received for, and payment of, the expenditures relating to the Teacher Mentoring Pilot Program.

Preschool for All Monitoring - to account for the grant monies received for, and payment of, the expenditures relating to the Program Accountability Liaison Project.

Social Emotional Learning - to account for the grant monies received for, and payment of, the expenditures relating to the Social Emotional Learning Program.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Regional System of Support Providers - to account for the grant monies received for, and payment of, the expenditures relating to School Improvement Plan (SIP) in the areas of language arts and/or math.

Early Childhood Block Grant (Pre-School) - to account for grant monies received for, and payment of, expenditures relating to Early Childhood Block Grant Prevention Initiative program.

Early Childhood Block Grant - to account for grant monies received for, and payment of, expenditures relating to Early Childhood Block Grant Prevention Initiative program.

Alternative Learning Opportunity Program - General State Aid (ALOP - GSA) - to account for grant monies received for, and payment of, expenditures relating to the operation of an Alternative Learning Opportunity Program.

Regional Safe Schools Program - to account for grant monies received for, and payment of, expenditures relating to Regional Safe Schools Program.

Regional Safe Schools Program - General State Aid (RSSP-GSA) - to account for the grant monies received for, and payment of, the expenditures relating to the Regional Safe Schools Program - General State Aid.

Title I - Migrant Education - used to account for grant monies received for, and payment of, the expenditures incurred to support high quality education programs for migratory children.

Illinois New Principal Mentoring - this fund accounts for the Illinois Principal Mentoring.

National School Lunch - this program supports the National School Lunch program.

State Free Lunch and Breakfast - this program supports the State Free Lunch and Breakfast programs.

Lee/Ogle Counties Regional Office of Education No. 47 reports the following nonmajor governmental funds:

Bus Driver - used to account for resources accumulated for, and payment of, expenses of issuing school bus driver permits and administering school bus driver training.

General Educational Development (GED) - used to account for resources accumulated for, and payment of, expenses of administering the GED test. Statute requires excess funds accumulated for periods exceeding three years to be transferred into the Institute Fund.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Supervisory Expense - used to account for resources accumulated for, and payment of, expenses of providing supervisory service in the Regional Office of Education No. 47.

Film Coop - to account for maintenance of a film coop for the benefit of various school districts.

Lee/Ogle Counties Regional Office of Education No. 47 reports the following major proprietary fund:

School Improvement Plan (SIP) - to account for monies received from school districts held for expenses relating to their school improvement plans.

Workshops - used to account for workshops associated with various grant programs.

Lee/Ogle Counties Regional Office of Education No. 47 also reports fiduciary funds which focus on net assets and changes in net assets. They include the following:

Private-Purpose Trust Fund - used to account for interest earned on Distributive Funds. Under written agreement with individual school districts, interest earned on Distributive Funds is used for the benefit of Lee/Ogle Counties Regional Office of Education No. 47.

Agency Funds - used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. These include agency funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Lee/Ogle Counties Regional Office of Education No. 47 reports the following agency funds:

Distributive - to account for cash received and disbursed as a result of the Regional Superintendent's responsibility to receive and distribute to treasurers of school districts and other agencies, monies due to them from general state aid, state categorical grants, and various other sources.

Impact fees - to account for monies received from owners/builders for the issuance of a zoning certificate. The Regional Superintendent, as agent, remits the fees collected to the appropriate school district.

Petitions - to account for cash received from entities and citizens petitioning the Regional Board of Trustees to change boundaries. The Regional Superintendent, as agent, remits the fees collected to the appropriate agencies.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

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

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

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Lee/Ogle Counties Regional Office of Education No. 47.

Lee/Ogle Counties Regional Office of Education No. 47 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, Lee/Ogle Counties Regional Office of Education No. 47 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 resources available to finance the program. It is Lee/Ogle Counties Regional Office of Education No. 47's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

The proprietary fund of Lee/Ogle Counties Regional Office of Education No. 47 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.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Lee/Ogle Counties Regional Office of Education No. 47'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.

Lee/Ogle Counties Regional Office of Education No. 47 maintains its financial records on the cash basis. The financial statements of Lee/Ogle Counties Regional Office of Education No. 47 are prepared by making memorandum adjusting entries to the cash basis financial records.

Assets, Liabilities and Fund Equity

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

Cash and investments - The cash and investment balances of Lee/Ogle Counties Regional Office of Education No. 47 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.

Capital assets - Capital assets, which include furniture and equipment, are reported in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by Lee/Ogle Counties Regional Office of Education No. 47 as assets with estimated useful lives in excess of one year. Capital assets are depreciated using the straight line method over 5 - 7 years.

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.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Lee/Ogle Counties Regional Office of Education No. 47 did not adopt a formal budget nor is it legally required to do so for the year ended June 30, 2008; subsequently, the accompanying financial statements are not presented on a budgetary basis whereby budget and actual revenues and expenditures are compared; however, Illinois State Board of Education, a granting agent, requires budgets for certain program money. For the year ended June 30, 2008, a budgetary comparison schedule is presented for the following grant funds: ROE Operations, Illinois Family Violence Coordinating Council, Mathematics and Science Partnership, McKinney Education for Homeless Children, Truants Alternative Education, English Language, Teacher Mentoring Pilot Program, Early Childhood Block Grant (Pre-School), Early Childhood Block Grant, Regional Safe Schools Program, and Title I - Migrant Education.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

At June 30, 2008, the carrying amount of the Regional Office of Education No. 47's deposits were \$433,217 (net of cash overdrafts) and the bank balance was \$673,969.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, Lee/Ogle Counties Regional Office of Education No. 47's deposits may not be returned. Lee/Ogle Counties Regional Office of Education No. 47 does not have a deposit policy for custodial credit risk. As of June 30, 2008, all of Lee/Ogle Counties Regional Office of Education No. 47's deposits were either covered by FDIC insurance or covered by collateral held by the financial institution in Lee/Ogle Counties Regional Office of Education No. 47's name.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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	\$ 404,882
Cash - Private-Purpose Trust	27,408
Cash - Agency	<u>927</u>
Total	<u>\$ 433,217</u>

At June 30, 2008, the Regional Office of Education No. 47 had investments, not subject to categorization with carrying and fair values of \$398,167 as follows:

Equity in pooled cash and investments of the Bloom Township School Treasurer	<u>\$ 398,167</u>
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For investments, custodial risk is the risk that, in the event of the failure of the counterparty, the ROE will not be able to recover the value of its investments or collateral securities in the possession of an outside party. State law does not require collateralization of investments.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

NOTE 3 - ON-BEHALF PAYMENTS

Salaries of the Regional Superintendent and her first assistant are paid by the State of Illinois. All other salaries with the exception of employees paid by the Special Services Fund, are paid by Lee/Ogle Counties. Pension plan contributions associated with these salaries are also paid respectively, by the State of Illinois and Lee/Ogle Counties. Employees of the Special Services Fund and the applicable pension plan contributions are paid by the Lee/Ogle Counties Regional Office of Education No. 47.

A breakdown of the on-behalf payments are as follows:

Regional Superintendent - salary	\$ 101,197
Regional Superintendent - benefits (includes state paid insurance)	23,073
Assistant Regional Superintendent - salary	103,469
Assistant Regional Superintendent - benefits (includes state paid insurance)	18,338
TRS on-behalf payments	34,321
Lee County on-behalf payments	45,121
Ogle County on-behalf payments	<u>51,670</u>
Total on-behalf payments	<u>\$ 377,189</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. The above amounts are higher than actual current year salary and benefits figures due to the inclusion of back payment that was paid out to by the State of Illinois during the current year.

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2008 is as follows:

	June 30, 2007	Additions	Deletions	June 30, 2008
Governmental activities:				
Furniture and equipment	\$ 486,086	\$ 23,956	\$ (13,127)	\$ 496,915
Less accumulated depreciation	<u>(416,028)</u>	<u>(27,374)</u>	<u>13,127</u>	<u>(430,275)</u>
Total capital assets, net	<u>\$ 70,058</u>	<u>\$ (3,418)</u>	<u>\$ -</u>	<u>\$ 66,640</u>

Depreciation expense was charged as follows:

Governmental activities:	
Education:	
Depreciation expense	<u>\$ 27,374</u>

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

NOTE 5 - EMPLOYEE BENEFIT PLAN

The Regional Office of Education No. 47 employees are covered under the Illinois Municipal Retirement Fund. Contributions to the Fund are made by Lee/Ogle Counties and through grant monies on behalf of the Lee/Ogle Counties Regional Office of Education No. 47 staff employees and grant coordinators.

Lee/Ogle Counties are participating members of the Illinois Municipal Retirement Fund whose coverage includes all employees who:

- a. Occupy a job normally requiring 600 hours or more per year;
- b. Are paid on a regular payroll from County or Lee/Ogle Counties Regional Office of Education No. 47 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.

The Regional Superintendent and the Assistant Regional Superintendent of Lee/Ogle Counties Regional Office of Education No. 47 are paid by the State of Illinois. Certain staff employees of the office are employed and paid by Lee or Ogle Counties (other support staff and grant coordinators are paid through grant monies). Lee/Ogle Counties Regional Office of Education No. 47 has no separate employee benefit plan.

Illinois Municipal Retirement Plan

Plan Description. The employer's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. Your employer 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, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2007 was 10.07 percent of annual covered payroll. Your employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2007, your employer's annual pension cost of \$18,570 for the Regular plan was equal to your employer's required and actual contributions.

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2008

NOTE 5 - EMPLOYEE BENEFIT PLAN (CONTINUED)

TREND INFORMATION			
<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/07	\$ 18,570	100%	\$ -
12/31/06	19,392	100%	-
12/31/05	2,816	100%	-

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

Funded Status and Funding Progress. As of December 31, 2007, the most recent actuarial valuation date, the Regular plan was 109.66 percent funded. The actuarial accrued liability for benefits was \$218,276 and the actuarial value of assets was \$239,356, resulting in an overfunded actuarial accrued liability (UAAL) of \$21,080. The covered payroll (annual payroll of active employees covered by the plan) was \$184,409 and since the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

The schedule of funding progress, presented as Required Supplemental Information 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.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

NOTE 6 - RETIREMENT PLANS

Teachers' Retirement System of the State of Illinois

Lee/Ogle Counties Regional Office of Education No. 47 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2008 was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The Regional Office of Education No. 47 THIS Fund contribution was 0.63 percent during the year ended June 30, 2008, and the member THIS Fund health insurance contribution was 0.84 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Lee/Ogle Counties Regional Office of Education No. 47's TRS-covered employees.

- **On-behalf Contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 47. For the year ended June 30, 2008, the State of Illinois contributions were based on 13.11 percent of creditable earnings not paid from federal funds, and the Regional Office of Education No. 47 recognized revenue and expenditures of \$34,321 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2007, and June 30, 2006, the State of Illinois contribution rates as percentages of creditable earnings were 9.78 percent (\$30,380) and 7.06 percent (\$16,035), respectively.

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

Lee/Ogle Counties Regional Office of Education No. 47 makes three 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. Contributions for the year ended June 30, 2008 was \$2,118. Contributions for the years ending June 30, 2007 and June 30, 2006 were \$1,802 and \$1,290, respectively.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

NOTE 6 - RETIREMENT PLANS (CONTINUED)

- **Federal and Trust Fund Contributions.** When TRS members are paid from federal and trust funds administered by the Lee/Ogle Counties Regional Office of Education No. 47, there is a statutory requirement for the Lee/Ogle Counties Regional Office of Education No. 47 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 for employees paid from federal and trust funds will be the same as the state contribution rate for TRS.

For the year ended June 30, 2008, the employer pension contribution was 13.11 percent of salaries paid from federal and trust funds. For the years ended June 30, 2007 and 2006, the employer pension contribution was 9.78 and 7.06 percent of salaries paid from federal and special trusts funds, respectively. For the year ended June 30, 2008, salaries totaling \$75,151 were paid from federal and trust funds that required employer contributions of \$9,852. For the years ended June 30, 2007 and 2006, required ROE contributions were \$12,578 and \$5,992, respectively.

- **Early Retirement Option.** Lee/Ogle Counties Regional Office of Education No. 47 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires. Under Public Act 94-0004 a "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies in the Pipeline ERO). Under the ERO program that expired on June 30, 2005 and the Pipeline ERO, the maximum employer contribution is 100 percent of the member's highest salary used in the final average calculation. Under the Modified ERO, the maximum employer contribution is 117.5 percent. Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement. For the year ended June 30, 2008, Lee/Ogle Counties Regional Office of Education No. 47 paid \$0 to TRS for employer contributions under the Pipeline ERO and Modified ERO programs. For the years ended June 30, 2007 and June 30, 2006, Lee/Ogle Counties Regional Office of Education No. 47 paid \$0 and \$107 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 of up to 6 percent.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

NOTE 6 - RETIREMENT PLANS (CONTINUED)

For the years ended June 30, 2008, 2007, and June 30, 2006, Lee/Ogle Counties Regional Office of Education No. 47 paid \$0 in employers contributions due on salary increases in excess of 6 percent.

- If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS.

The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate. For the years ended June 30, 2008 and 2007, Lee/Ogle Counties Regional Office of Education paid \$0 in employer contributions granted for sick leave days.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2007. The report for the year ended June 30, 2008, is expected to be available in late 2008. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at www.trs.illinois.gov.

NOTE 7 - DISTRIBUTIVE FUND INTEREST DISPOSITION

Interest earned on distributive fund receipts is transferred to the Local Fund by the consent of all affected school boards and other entities. The funds are utilized by the Regional Superintendent to purchase computer equipment, develop inservice activities, and other innovative programs, as well as, assist with the necessary operating expenses of the Regional Office.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

NOTE 8 - DUE FROM OTHER GOVERNMENTS

The Lee/Ogle Counties Regional Office of Education No. 47's General, Special Revenue, and Agency Funds have funds due from various other governmental units which consist of the following:

Due from Other Governments

Education

Mathematics and Science Partnership	
Illinois State Board of Education	\$ 519
Learning Improvement through Non-Traditional Curriculum (LINC)	
Illinois State Board of Education	7,328
Balance and Restorative Justice	
Local Government	1,944
Teacher Mentoring Pilot Program	
Illinois State Board of Education	9,908
Preschool for All Monitoring	
Illinois State Board of Education	5,625
Regional System of Support Providers	
Local Government	14,152
Early Childhood Block Grant (Pre-School)	
Illinois State Board of Education	4,390
Early Childhood Block Grant	
Illinois State Board of Education	3,033
Alternative Learning Opportunity Program - General State Aid (ALOP-GSA)	
Local Government	1,000
Illinois New Principal Mentoring	
Local Government	9,000
National School Lunch	
Illinois State Board of Education	484
State Free Lunch and Breakfast	
Illinois State Board of Education	17
Nonmajor Special Revenue	
General Educational Development	
Other local entities	<u>6,941</u>

Total **\$ 64,341**

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

NOTE 9 - DEFICIT FUND BALANCE

At June 30, 2008, the following fund had a deficit fund balance. It is expected to correct itself in 2009, through payments from the State and transfers from local funds.

Education	
Learning Improvement Through Non-Traditional Curriculum (LINC)	<u>\$ (1,894)</u>

NOTE 10 - RISK MANAGEMENT

Lee/Ogle Counties Regional Office of Education No. 47 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. Lee/Ogle Counties Regional Office of Education No. 47 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 11 - NEW PRONOUNCEMENTS

In 2008, Lee/Ogle Counties Regional Office of Education No. 47 adopted Governmental Accounting Standards Board (GASB) Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, and GASB Statement No. 50, *Pension Disclosures an amendment of GASB Statements No. 25 and No. 27*. The Regional Office of Education implemented these standards during the current year; however, there was no significant impact of the implementation of No. 48 or No. 50 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)

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 SCHEDULE OF FUNDING PROGRESS -
 ILLINOIS MUNICIPAL RETIREMENT FUND (Unaudited)
 June 30, 2008

ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/07	\$ 239,356	\$ 218,276	\$ (21,080)	109.66%	\$ 184,409	0.00%
12/31/06	198,296	199,481	1,185	99.41%	194,899	0.61%
12/31/05	172,200	185,545	13,345	92.81%	221,761	6.02%

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$249,742. On a market basis, the funded ratio would be 114.42%.

***Digest of Changes**

The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002-2004 Experience Study. The principal changes were:

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

SUPPLEMENTAL INFORMATION

SCHEDULE 1

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 June 30, 2008

	<u>ROE Operations</u>	<u>Local Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 261,868	\$ 261,868
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ 2,940	\$ 2,940
FUND BALANCES, UNRESERVED	<u>-</u>	<u>258,928</u>	<u>258,928</u>
TOTAL LIABILITIES AND FUND BALANCES, UNRESERVED	<u>\$ -</u>	<u>\$ 261,868</u>	<u>\$ 261,868</u>

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
Year Ended June 30, 2008

	<u>ROE</u> <u>Operations</u>	<u>Local</u> <u>Fund</u>	<u>Total</u>
REVENUES:			
Local sources	\$ -	\$ 148,590	\$ 148,590
State sources	80,616	-	80,616
On-behalf payments	<u>377,189</u>	<u>-</u>	<u>377,189</u>
Total revenues	<u>457,805</u>	<u>148,590</u>	<u>606,395</u>
EXPENDITURES:			
Education:			
Salaries	51,995	16,934	68,929
Benefits	8,397	1,767	10,164
Purchased services	19,443	70,368	89,811
Supplies and materials	781	9,902	10,683
Payments to other governments	-	2,883	2,883
On-behalf payments	377,189	-	377,189
Capital outlay	<u>-</u>	<u>6,619</u>	<u>6,619</u>
Total expenditures	<u>457,805</u>	<u>108,473</u>	<u>566,278</u>
NET CHANGE IN			
FUND BALANCES	-	40,117	40,117
FUND BALANCE,			
BEGINNING OF YEAR	<u>-</u>	<u>218,811</u>	<u>218,811</u>
FUND BALANCE,			
END OF YEAR	<u>\$ -</u>	<u>\$ 258,928</u>	<u>\$ 258,928</u>

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND ACCOUNTS
 Year Ended June 30, 2008

	ROE Operations Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
State sources	\$ 79,005	\$ 80,616	\$ 80,616	\$ -
On-behalf payments	-	-	377,189	377,189
Total revenues	<u>79,005</u>	<u>80,616</u>	<u>457,805</u>	<u>377,189</u>
EXPENDITURES:				
Education:				
Salaries	56,000	54,500	51,995	2,505
Benefits	10,000	8,700	8,397	303
Purchased services	12,255	16,666	19,443	(2,777)
Supplies and materials	750	750	781	(31)
On-behalf payments	-	-	377,189	(377,189)
Total expenditures	<u>79,005</u>	<u>80,616</u>	<u>457,805</u>	<u>(377,189)</u>
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
FUND BALANCE, BEGINNING OF YEAR			-	
FUND BALANCE, END OF YEAR			\$ -	

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2008

	Illinois Family Violence Coordinating Council	Mathematics and Science Partnership	Rural Education Achievement Program	McKinney Education for Homeless Children	Learning Improvement Through Non- Traditional Curriculum (LINC)	Balance and Restorative Justice
ASSETS						
Cash (overdrafts) and cash equivalents	\$ 7,905	\$ 28,550	\$ -	\$ 9,844	\$ (7,643)	\$ (1,944)
Prepaid expenses	-	10,490	-	-	-	-
Due from other governments	-	519	-	-	7,328	1,944
TOTAL ASSETS	\$ 7,905	\$ 39,559	\$ -	\$ 9,844	\$ (315)	\$ -
LIABILITIES AND FUND BALANCES (DEFICITS)						
LIABILITIES						
Accounts payable	\$ 229	\$ 39,559	\$ -	\$ -	\$ 1,579	\$ -
Deferred revenue	-	-	-	9,844	-	-
Total liabilities	229	39,559	-	9,844	1,579	-
FUND BALANCES (DEFICITS)						
Unreserved	7,676	-	-	-	(1,894)	-
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 7,905	\$ 39,559	\$ -	\$ 9,844	\$ (315)	\$ -

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2008

	Truants Alternative Education	English Language	Teacher Mentoring Pilot Program	Preschool for All Monitoring	Social Emotional Learning	Regional System of Support Providers
ASSETS						
Cash (overdrafts) and cash equivalents	\$ -	\$ -	\$ (9,908)	\$ (5,625)	\$ 1,525	\$ (14,152)
Prepaid expenses	-	-	-	-	-	-
Due from other governments	-	-	9,908	5,625	-	14,152
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ -	\$ 1,525	\$ -
LIABILITIES AND FUND BALANCES (DEFICITS)						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	1,525	-
Total liabilities	-	-	-	-	1,525	-
FUND BALANCES (DEFICITS)						
Unreserved	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ -	\$ -	\$ -	\$ -	\$ 1,525	\$ -

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2008

	Early Childhood Block Grant (Pre-School)	Early Childhood Block Grant	Alternative Learning Opportunity Program - General State Aid (ALOP-GSA)	Regional Safe Schools Program	Regional Safe Schools Program - General State Aid (RSSP-GSA)
ASSETS					
Cash (overdrafts) and cash equivalents	\$ (3,370)	\$ (3,033)	\$ 21,141	\$ -	\$ -
Prepaid expenses	-	-	-	-	-
Due from other governments	4,390	3,033	1,000	-	-
TOTAL ASSETS	\$ 1,020	\$ -	\$ 22,141	\$ -	\$ -
LIABILITIES AND FUND BALANCES (DEFICITS)					
LIABILITIES					
Accounts payable	\$ 1,020	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-
Total liabilities	1,020	-	-	-	-
FUND BALANCES (DEFICITS)					
Unreserved	-	-	22,141	-	-
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 1,020	\$ -	\$ 22,141	\$ -	\$ -

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2008

	Title I - Migrant Education	Illinois New Principal Mentoring	National School Lunch	State Free Lunch and Breakfast	Totals
ASSETS					
Cash (overdrafts) and cash equivalents	\$ -	\$ (4,788)	\$ 294	\$ 7	\$ 18,803
Prepaid expenses	-	-	-	-	10,490
Due from other governments	-	9,000	484	17	57,400
TOTAL ASSETS	\$ -	\$ 4,212	\$ 778	\$ 24	\$ 86,693
LIABILITIES AND FUND BALANCES (DEFICITS)					
LIABILITIES					
Accounts payable	\$ -	\$ 2,053	\$ -	\$ 12	\$ 44,452
Deferred revenue	-	-	-	-	11,369
Total liabilities	-	2,053	-	12	55,821
FUND BALANCES (DEFICITS)					
Unreserved	-	2,159	778	12	30,872
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ -	\$ 4,212	\$ 778	\$ 24	\$ 86,693

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2008

	Illinois Family Violence Coordinating Council	Mathematics and Science Partnership	Rural Education Achievement Program	McKinney Education for Homeless Children	Learning Improvement Through Non- Traditional Curriculum (LINC)	Balance and Restorative Justice
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,498
State sources	35,467	-	-	-	-	-
Federal sources	-	261,387	19,792	290,205	39,376	-
Total revenues	<u>35,467</u>	<u>261,387</u>	<u>19,792</u>	<u>290,205</u>	<u>39,376</u>	<u>6,498</u>
EXPENDITURES:						
Education:						
Salaries	16,800	77,101	-	60,740	31,266	5,460
Benefits	1,285	17,771	-	10,512	4,565	748
Purchased services	14,386	141,083	-	7,119	5,256	290
Supplies and materials	32	25,432	-	6,247	509	-
Payments to other governments	-	-	19,792	203,369	-	-
Capital outlay	-	-	-	2,218	-	-
Total expenditures	<u>32,503</u>	<u>261,387</u>	<u>19,792</u>	<u>290,205</u>	<u>41,596</u>	<u>6,498</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	2,964	-	-	-	(2,220)	-
FUND BALANCE, BEGINNING OF YEAR	<u>4,712</u>	-	-	-	<u>326</u>	-
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 7,676</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,894)</u>	<u>\$ -</u>

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2008

	Truants Alternative Education	English Language	Teacher Mentoring Pilot Program	Preschool for All Monitoring	Social Emotional Learning	Regional System of Support Providers
REVENUES:						
Local sources	-	-	-	-	-	-
State sources	180,615	-	107,195	25,500	60,388	-
Federal sources	-	5,000	-	-	-	40,503
	<u>180,615</u>	<u>5,000</u>	<u>107,195</u>	<u>25,500</u>	<u>60,388</u>	<u>40,503</u>
EXPENDITURES:						
Education:						
Salaries	104,881	-	16,337	1,054	31,481	8,615
Benefits	11,755	-	372	57	3,840	301
Purchased services	52,450	4,780	87,288	24,150	24,551	26,138
Supplies and materials	11,529	220	3,198	239	516	149
Payments to other governments	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	5,300
	<u>180,615</u>	<u>5,000</u>	<u>107,195</u>	<u>25,500</u>	<u>60,388</u>	<u>40,503</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2008

	Early Childhood Block Grant (Pre-School)	Early Childhood Block Grant	Alternative Learning Opportunity Program - General State Aid (ALOP-GSA)	Regional Safe Schools Program	Regional Safe Schools Program - General State Aid (RSSP-GSA)
REVENUES:					
Local sources	\$ -	\$ -	\$ 19,500	\$ -	\$ -
State sources	103,493	31,848	152,926	158,059	162,215
Federal sources	-	-	-	-	-
Total revenues	103,493	31,848	172,426	158,059	162,215
EXPENDITURES:					
Education:					
Salaries	57,789	25,364	171,871	-	-
Benefits	7,752	3,339	17,064	-	-
Purchased services	13,892	2,436	16,496	-	-
Supplies and materials	19,555	709	6,071	-	-
Payments to other governments	-	-	-	158,059	162,215
Capital outlay	4,505	-	6,016	-	-
Total expenditures	103,493	31,848	217,518	158,059	162,215
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	(45,092)	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	67,233	-	-
FUND BALANCE (DEFICIT), END OF YEAR	\$ -	\$ -	\$ 22,141	\$ -	\$ -

SCHEDULE 5
(CONTINUED)

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2008

	Title I - Migrant Education	Illinois New Principal Mentoring	National School Lunch	State Free Lunch and Breakfast	Totals
REVENUES:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 25,998
State sources	-	11,000	-	108	1,028,814
Federal sources	5,000	-	2,764	-	664,027
Total revenues	5,000	11,000	2,764	108	1,718,839
EXPENDITURES:					
Education:					
Salaries	1,250	-	-	-	610,009
Benefits	-	-	-	-	79,361
Purchased services	2,057	8,841	-	-	431,213
Supplies and materials	1,693	-	-	-	76,099
Payments to other governments	-	-	1,986	96	545,517
Capital outlay	-	-	-	-	18,039
Total expenditures	5,000	8,841	1,986	96	1,760,238
NET CHANGE IN FUND BALANCES (DEFICITS)	-	2,159	778	12	(41,399)
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	72,271
FUND BALANCE (DEFICIT), END OF YEAR	-	2,159	778	12	30,872

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2008

	Illinois Family Violence Coordinating Council			Mathematics and Science Partnership			McKinney Education for Homeless Children				
	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget
REVENUES:											
State sources	\$ 39,000	\$ 35,467	\$ (3,533)	\$ 289,267	289,267	\$ 261,387	27,880	\$ 297,199	300,049	\$ 290,205	(9,844)
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Total revenues	39,000	35,467	(3,533)	289,267	289,267	261,387	(27,880)	297,199	300,049	290,205	(9,844)
EXPENDITURES:											
Education:											
Salaries	33,600	16,800	16,800	79,500	79,500	77,101	2,399	51,000	57,000	60,740	(3,740)
Benefits	2,400	1,285	1,115	17,497	17,497	17,771	(274)	8,495	8,495	10,512	(2,017)
Purchased services	13,959	14,386	(427)	161,920	161,920	141,083	20,837	233,751	227,751	7,119	220,632
Supplies and materials	720	32	688	30,350	30,350	25,432	4,918	2,453	5,303	6,247	(944)
Payments to other governments	-	-	-	-	-	-	-	-	-	203,369	(203,369)
Capital outlay	-	-	-	-	-	-	-	1,500	1,500	2,218	(718)
Total expenditures	50,679	32,503	18,176	289,267	289,267	261,387	27,880	297,199	300,049	290,205	9,844
NET CHANGE IN FUND BALANCES	\$ (11,679)	\$ (11,679)	\$ 14,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE, BEGINNING OF YEAR		4,712									
FUND BALANCE, END OF YEAR		\$ 7,676									

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2008

	Truants Alternative Education			English Language			Teacher Mentoring Pilot Program		
	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget
REVENUES:									
State sources	\$ 173,778	\$ 180,615	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 107,195	\$ (12,345)
Federal sources	-	-	-	5,000	5,000	-	-	-	-
Total revenues	173,778	180,615	-	5,000	5,000	-	100,000	107,195	(12,345)
EXPENDITURES:									
Education:									
Salaries	106,100	103,805	104,881	250	-	(1,076)	14,500	16,337	2,913
Benefits	13,646	11,400	11,755	-	-	(355)	600	372	303
Purchased services	48,054	54,057	52,450	4,750	4,780	1,607	83,900	87,288	10,277
Supplies and materials	5,978	11,353	11,529	-	220	(176)	1,000	3,198	(1,148)
Payments to other governments	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	173,778	180,615	180,615	5,000	5,000	-	100,000	107,195	12,345
NET CHANGE IN FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE, BEGINNING OF YEAR									
FUND BALANCE, END OF YEAR									

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2008

	Early Childhood Block Grant (Pre-School)			Early Childhood Block Grant			Regional Safe Schools Program				
	Budgeted Amounts		Variance with	Budgeted Amounts		Actual	Budgeted Amounts		Actual	Variance with	
	Original	Final	Final Budget	Original	Final	Amounts	Original	Final	Amounts	Final Budget	
REVENUES:											
State sources	\$ 84,031	\$ 84,031	\$ 103,493	\$ 19,462	\$ 31,533	\$ 31,848	\$ 31,848	\$ 158,059	\$ 158,059	\$ -	\$ -
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Total revenues	84,031	84,031	103,493	19,462	31,533	31,848	31,848	158,059	158,059	-	-
EXPENDITURES:											
Education:											
Salaries	62,760	55,950	57,789	(1,839)	23,932	24,846	25,364	-	-	-	-
Benefits	8,411	6,138	7,752	(1,614)	3,485	3,608	3,339	-	-	269	-
Purchased services	6,013	11,415	13,892	(2,477)	3,505	2,894	2,436	-	-	458	-
Supplies and materials	6,847	10,528	19,555	(9,027)	611	500	709	-	-	(209)	-
Payments to other governments	-	-	-	-	-	-	-	158,059	158,059	-	-
Capital outlay	-	-	4,505	(4,505)	-	-	-	-	-	-	-
Total expenditures	84,031	84,031	103,493	(19,462)	31,533	31,848	31,848	158,059	158,059	-	-
NET CHANGE IN FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE, BEGINNING OF YEAR											
FUND BALANCE, END OF YEAR											

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2008

	Title I - Migrant Education						Total					
	Budgeted Amounts		Actual Amounts		Variance with Final Budget		Budgeted Amounts		Actual Amounts		Variance with Final Budget	
	Original	Final	Original	Final	Original	Final	Original	Final	Original	Final	Original	Final
REVENUES:												
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	5,000	5,000	5,000	5,000	-	-	586,401	613,093	586,401	613,093	-	-
Total revenues	5,000	5,000	5,000	5,000	-	-	1,182,867	1,212,409	1,182,867	1,212,409	-	-
EXPENDITURES:												
Education:												
Salaries	250	1,250	1,250	1,250	-	-	371,892	375,201	371,892	375,201	-	-
Benefits	-	-	-	-	-	-	54,534	50,213	54,534	50,213	-	-
Purchased services	1,700	2,057	2,057	2,057	-	-	557,552	576,398	557,552	576,398	-	-
Supplies and materials	3,050	1,693	1,693	1,693	-	-	51,009	62,717	51,009	62,717	-	-
Payments to other governments	-	-	-	-	-	-	158,059	158,059	158,059	158,059	-	-
Capital outlay	-	-	-	-	-	-	1,500	1,500	1,500	1,500	-	-
Total expenditures	5,000	5,000	5,000	5,000	-	-	1,194,546	1,224,088	1,194,546	1,224,088	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-	(11,679)	(11,679)	(11,679)	(11,679)	-	-
FUND BALANCE, BEGINNING OF YEAR												
FUND BALANCE, END OF YEAR												

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2008

ASSETS	Bus Driver Fund	GED Fund	Supervisory Expense	Film Coop	Total
Cash (overdrafts) and cash equivalents	\$ 3,713	\$ (3,655)	\$ -	\$ -	\$ 58
Due from other governments	-	6,941	-	-	6,941
TOTAL ASSETS	\$ 3,713	\$ 3,286	\$ -	\$ -	\$ 6,999
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	-	1,473	-	-	1,473
FUND BALANCES					
Unreserved	3,713	1,813	-	-	5,526
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,713	\$ 3,286	\$ -	\$ -	\$ 6,999

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
 Year Ended June 30, 2008

	<u>Bus Driver Fund</u>	<u>GED Fund</u>	<u>Supervisory Expense</u>	<u>Film Coop</u>	<u>Total</u>
REVENUES:					
Local sources	\$ 1,376	\$ 22,801	\$ -	\$ 8,265	\$ 32,442
State sources	600	-	2,000	-	2,600
Total revenues	<u>1,976</u>	<u>22,801</u>	<u>2,000</u>	<u>8,265</u>	<u>35,042</u>
EXPENDITURES:					
Education:					
Salaries	-	5,093	-	349	5,442
Benefits	-	328	-	30	358
Purchased services	1,597	12,812	2,000	9,925	26,334
Supplies and materials	209	2,205	-	-	2,414
Total expenditures	<u>1,806</u>	<u>20,438</u>	<u>2,000</u>	<u>10,304</u>	<u>34,548</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	170	2,363	-	(2,039)	494
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>3,543</u>	<u>(550)</u>	<u>-</u>	<u>2,039</u>	<u>5,032</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,713</u>	<u>\$ 1,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,526</u>

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2008

	<u>Distributive Fund</u>	<u>Impact Fees</u>	<u>Petitions Fund</u>	<u>Total</u>
ASSETS				
Cash	\$ 685	\$ -	\$ 242	\$ 927
LIABILITIES				
Due to other governmental agencies	\$ 685	\$ -	\$ 242	\$ 927

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended June 30, 2008

	<u>Balance, July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2008</u>
<u>DISTRIBUTIVE FUND</u>				
ASSETS				
Cash	\$ 44	\$ 641	\$ -	\$ 685
LIABILITIES				
Due to other governmental agencies	\$ 44	\$ 641	\$ -	\$ 685
 <u>IMPACT FEES</u>				
ASSETS				
Cash (overdrafts)	\$ (526)	\$ 47,864	\$ 47,338	\$ -
Due from other entities	526	-	526	-
TOTAL ASSETS	\$ -	\$ 47,864	\$ 47,864	\$ -
LIABILITIES				
Due to other governmental agencies	\$ -	\$ 47,864	\$ 47,864	\$ -
 <u>PETITIONS FUND</u>				
ASSETS				
Cash	\$ -	\$ 3,750	\$ 3,508	\$ 242
LIABILITIES				
Due to other governmental agencies	\$ -	\$ 3,750	\$ 3,508	\$ 242
 <u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS				
Cash (overdrafts)	\$ (482)	\$ 52,255	\$ 50,846	\$ 927
Due from other entities	526	-	526	-
TOTAL ASSETS	\$ 44	\$ 52,255	\$ 51,372	\$ 927
LIABILITIES				
Due to other governmental agencies	\$ 44	\$ 52,255	\$ 51,372	\$ 927

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2008

<u>Federal Grantor/Pass- Through Grantor, Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project Number (1st 8 digits) or Contract #</u>	<u>Federal Expenditures 7/1/2007 - 6/30/2008</u>
U.S. Department of Labor passed through Business Employment Skills Team			
Workforce Investment Act (WIA) Youth Activities	17.259	08-local	\$ 39,376
Workforce Investment Act (WIA) Youth Activities	17.259	07-local	<u>2,220</u>
			<u>41,596</u>
U.S. Department of Education passed through Illinois State Board of Education (ISBE):			
(M) Mathematics and Science Partnership	84.366B	08-4936-01-47	206,311
(M) Mathematics and Science Partnership	84.366B	07-4936-01-47	<u>61,776</u>
			<u>268,087</u>
McKinney Education for Homeless Children	84.196A	08-4920-00	290,205
Title I - Migrant Education	84.001A	08-4340-00	5,000
English Language Learners	84.365A	08-4999-PD	5,000
National School Lunch Program	10.555	08-4210-00	<u>1,986</u>
Total passed through Illinois State Board of Education			<u>570,278</u>
U.S. Department of Education passed through			
Rural Education Achievement Program	84.358A	08-4999-00	<u>19,792</u>
Other Federal Grants			
Passed through Boone-Winnebago Counties - Regional Office of Education No. 4			
Regional System of Support	84.367A	08-local	<u>40,503</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 672,169</u></u>

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Lee/Ogle Counties Regional Office of Education No. 47 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 the basic financial statements.

NOTE 2 - SUBRECIPIENTS

Of the federal expenditures presented in the accompanying Schedule of Expenditures of Federal Awards, Lee/Ogle Counties Regional Office of Education No. 47 provided \$223,161 to sub-recipients during fiscal year ended June 30, 2008 as follows:

To:	Ogle County Education Cooperative (OCEC):		
	84.358A	2008-4999-00 Rural Education Achievement Program	\$ 19,792
To:	Henry and Stark Counties Regional Office of Education No. 28:		
	84.196	2008-4920-00 McKinney Education for Homeless Children	28,200
To:	Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education No. 8:		
	84.196	2008-4920-00 McKinney Education for Homeless Children	14,000
To:	DeKalb County Regional Office of Education No. 16:		
	84.196	2008-4920-00 McKinney Education for Homeless Children	8,000
To:	Dixon Public Schools:		
	84.196	2008-4920-00 McKinney Education for Homeless Children	4,675
To:	Harlem Consolidated School District No. 122:		
	84.196	2008-4920-00 McKinney Education for Homeless Children	6,640
To:	LaSalle County Regional Office of Education No. 35:		
	84.196	2008-4920-00 McKinney Education for Homeless Children	28,200
To:	Marshall, Putnum, and Woodford Counties Regional Office of Education No. 43:		
	84.196	2008-4920-00 McKinney Education for Homeless Children	8,000
To:	Rochelle Community College District No. 231:		
	84.196	2008-4920-00 McKinney Education for Homeless Children	3,750

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008**

NOTE 2 - SUBRECIPIENTS (CONTINUED)

To:	Rochelle THSD No. 212:			
	84.196	2008-4920-00	McKinney Education for Homeless Children	3,750
To:	Rockford Public School District No. 205:			
	84.196	2008-4920-00	McKinney Education for Homeless Children	70,000
To:	Rock Island County Regional Office of Education No. 49:			
	84.196	2008-4920-00	McKinney Education for Homeless Children	20,154
To:	Whiteside County Regional Office of Education No. 55:			
	84.196	2008-4920-00	McKinney Education for Homeless Children	8,000

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

The following federal program was audited as a major program in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Mathematics and Science Partnership - to account for grant monies received for, and payment of, expenditures for improving teacher knowledge and skills in mathematics and science such that they prepare content-rich, contextual learning experiences which will increase the achievement of their middle school students in math and/or science.

NOTE 4 - NON-CASH ASSISTANCE

N/A

NOTE 5 - AMOUNT OF INSURANCE

N/A

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

N/A

This information is an integral part of the accompanying schedule.