

**State of Illinois  
REGIONAL OFFICE OF EDUCATION #12**

**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 Auditor General, State of Illinois**



**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

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**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

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**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
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**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
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**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**OFFICIALS**

Regional Superintendent  
(current and during the audit period) .....Mrs. Carol Steinman

Assistant Regional Superintendent  
(July 2, 2007 through December 14, 2007 and July 1, 2008 through current) .....Mr. Phil Rogers  
(January 1, 2008 through June 16, 2008) .....Mr. Larry Miller

Offices are located at:

Clay County Courthouse  
Louisville, IL 62858

301 South Cross  
Robinson, IL 62454

204 West Washington, Suite 3  
Newton, IL 62448

1100 State Street  
Lawrenceville, IL 62439

Richland County Courthouse  
Olney, IL 62450

231 S. Main  
Louisville, IL 62858

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**COMPLIANCE REPORT SUMMARY**

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

**AUDITORS' REPORTS**

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

**SUMMARY OF AUDIT FINDINGS**

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

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
08-01	12	Restricted funds used for unauthorized purpose	Compliance
08-02	13	Uninsured deposits in bank	Compliance

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

There were no findings for the year ended June 30, 2008.

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

There were no prior findings.

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

There were no prior findings.

**EXIT CONFERENCE**

An informal exit conference was held on August 14, 2008. Attending were Carol Steinman, Regional Superintendent and Crystal Smith, accountant of Regional Office of Education #12 and Heather Wolke, CPA, Amy Grunloh, staff accountant, and Travis Brading, staff accountant of West and Company, LLC.

Responses to recommendations were provided by Crystal Smith via email on December 18, 2008.

## FINANCIAL STATEMENT REPORT

A financial statement audit consists of an audit of an agency's financial statements, including an examination of the underlying books and records, to determine whether those financial statements are fairly presented in accordance with generally accepted accounting principles.

The financial statement report is comprised of the following:

A Summary section providing a brief overview of the financial statement audit.

- An Auditors' Report section containing statements by the auditors on the scope and results of their audit, as required by applicable professional standards.
- A Findings & Recommendations section containing sequentially numbered findings in which the auditors note any instances of nonconformity by the agency with applicable laws, rules, regulations, grant agreements, and other standards governing its conduct that were found by the auditors in the course of their review. All findings are discussed with the agency officials during the post audit process.

Each finding generally contains: a description of the condition found; a recommendation by the auditors for corrective action; a response by the agency either accepting or rejecting the auditors' finding; and a description of the agency's plan for addressing the problem.

- A Financial Statement section generally consisting of:
  - Management's discussion and analysis (MD&A) as required supplementary information;
  - Basic financial statements (entity-wide financial statements, fund financial statements, and notes to the financial statements);
  - Required supplementary information other than MD&A.

Additional financial statements may be presented for agencies with special reporting requirements.

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### Financial Presentation Examined

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### Auditors' Reports

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### Findings and Recommendations

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### Financial Statements

## **FINANCIAL STATEMENT REPORT**

### **SUMMARY**

The audit of the accompanying basic financial statements of the Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12 was performed by West & Company, LLC.

Based on their audit, the auditors expressed an unqualified opinion on the agency's basic financial statements.



# WEST & COMPANY, LLC

## MEMBERS

E. LYNN FREESE  
RICHARD C. WEST  
KENNETH L. VOGT  
BRIAN E. DANIELL  
JANICE K. ROMACK  
DIANA R. SMITH  
D. RAIF PERRY  
JOHN H. VOGT

## CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## OFFICES

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GREENVILLE  
MATTOON  
SULLIVAN

## INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12, as of and for the year ended June 30, 2008, which collectively comprise the Regional Office of Education #12's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12'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, each major fund, and the aggregate remaining fund information of the Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12, as of June 30, 2008, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 6, 2009 on our consideration of the Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12'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 18A - 18F and 46 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Guidelines to Auditing and Reporting for a Regional Office of Education*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*West + Company, LLC*

April 6, 2009

# WEST & COMPANY, LLC

## MEMBERS

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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12, as of and for the year ended June 30, 2008, which collectively comprise the Regional Office of Education #12's basic financial statements and have issued our report thereon dated April 6, 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 Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12'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 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 Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 08-01 and 08-02.

We also noted certain matters which we have reported to management of the Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12 in a separate letter dated April 6, 2009.

Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12's responses and, accordingly, we express no opinions on them.

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

*West + Company, LLC*

April 6, 2009

MEMBERS

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE FOR EACH PROGRAM DETERMINED TO BE MAJOR BY  
THE ILLINOIS STATE BOARD OF EDUCATION IN THEIR  
MONITORING OF FEDERAL PROGRAMS**

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

We have audited the compliance of the Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12 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 Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12's major federal programs are identified in the summary of auditors' 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 Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12's management. Our responsibility is to express an opinion on the Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12'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 criteria as required by the *Guidelines to Auditing and Reporting for a Regional Office of Education*. Those standards and criteria 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 Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12's compliance with those requirements.

In our opinion, the Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12 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 Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12'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 Clay, Crawford, Jasper, Lawrence and Richland Counties Regional Office of Education #12's internal control over compliance.

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

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

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

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

*West + Company, LLC*

April 6, 2009



**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2008

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Section I - Summary of Auditors' Results

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**Financial statements**

Type of auditors' report issued:

UNQUALIFIED

Internal control over financial reporting:

- Material weakness(es) identified?

       yes   X   no

- Significant deficiency(ies) identified that  
are not considered to be material  
weakness(es)?

       yes   X   none reported

Noncompliance material to financial  
statements noted?

  X   yes        no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?

       yes   X   no

- Significant deficiency(ies) identified that  
are not considered to be material  
material weakness(es)?

       yes   X   none reported

Type of auditors' 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)?

       yes   X   no

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2008**

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**Section I - Summary of Auditors' Results (Concluded)**

---

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of federal program or cluster</u>
84.010A	Title I - Standards Aligned Classroom
84.010A	Title I Grants to Local Education Agencies
84.367A	Title II Improving Teacher Quality

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

Auditee qualified as a low-risk auditee?  X  yes       no

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2008**

**Section II: Financial Statement Findings**

**FINDING NO. 08-01 – Restricted funds used for unauthorized purpose**

**Criteria/Specific Requirement:**

The Illinois School Code 105 ILCS 5/3-12 states that the Regional Superintendent shall use the Institute Fund to defray expenses incidental to teacher's institutes, workshops or meetings of a professional nature that are designed to promote the professional growth of teachers or for the purpose of defraying the expense of any general or special meeting of teachers or school personnel of the Region.

**Condition:**

A review of the amounts due between funds showed a \$10,217 loan from the Institute Fund to the Technology for Success Fund (Technology Fund). Loans are not one of the allowed uses of Institute funds as listed in 105 ILCS 5/3-12.

**Effect:**

The Regional Office of Education #12 was not in compliance with 105 ILCS 5/3-12.

**Cause:**

Various funds share a pooled bank account. When expenditures for the Technology for Success Fund (Technology Fund) came due, they were paid out of the pooled bank account. While the bank account had enough cash to cover the expenditures, it did not have enough of the Technology Fund's money for the payments. This created a loan from other funds that had cash in the account. The only fund with sufficient cash to pay such expenditures was the Institute Fund.

**Auditors' Recommendation:**

The Regional Office of Education #12 should monitor payments from pooled cash accounts to be sure that the particular fund paying expenditures has sufficient funds to cover the payments and should use Institute Funds only for purposes delineated by 105 ILCS 5/3-12.

**Management's Response:**

The Regional Office of Education #12 will closely monitor individual fund balances to ensure that sufficient funds exist to cover expenditure payments. In addition, Regional Office of Education #12 will use Institute Funds only for purposes delineated by 105 ILCS 5/3-12.

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2008**

**Section II: Financial Statement Findings (Continued)**

**FINDING NO. 08-02 – Uninsured Deposits in Bank**

**Criteria/Specific Requirement:**

The Public Funds Deposit Act (30 ILCS 225/1) gives the authorization for deposits in excess of the federally insured limit to be covered by pledged collateral held by the financial institutions' trust departments in the Regional Office of Education #12's name. In addition, prudent business practice requires that all deposits held by financial institutions for the Regional Office of Education #12 be adequately covered by depository insurance or collateral.

**Condition:**

At June 30, 2008, the Regional Office of Education #12 had \$83,612 of deposits in a bank which exceeded the Federal Deposit Insurance Corporation (FDIC) insured limit and insufficient collateral was obtained from the bank regarding the amount in excess of the FDIC insured limit.

**Effect:**

Uninsured deposits could cause a loss to the Regional Office of Education #12 if the bank failed.

**Cause:**

The Regional Office of Education #12 had an agreement with the bank that the bank would monitor the cash balance to make sure that collateral was sufficient to cover any balance that exceeded the amount insured by FDIC. At times during the month of June 2008, the bank balance exceeded the amount insured by FDIC, but the collateral was not increased until July 1, 2008.

**Auditors' Recommendation:**

The Regional Office of Education #12 should periodically monitor the amount of collateral held on deposit to ensure that an adequate amount is maintained.

**Management's Response:**

The Regional Office of Education #12 will monitor on a monthly basis the amount of collateral held on deposit to ensure that an adequate amount is maintained.

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2008**

**Section III: Federal Award Findings**

No findings were noted for the year ended June 30, 2008.

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2008**

**Corrective Action Plan**

**Finding No.: 08-01**

**Condition:**

A review of the amounts due between funds showed a \$10,217 loan from the Institute Fund to the Technology for Success Fund (Technology Fund). Loans are not one of the allowed uses of Institute funds as listed in 105 ILCS 5/3-12.

**Plan:**

The Regional Office of Education #12 will closely monitor individual fund balances to ensure that sufficient funds exist to cover expenditure payments. In addition, Regional Office of Education #12 will use Institute Funds only for purposes delineated by 105 ILCS 5/3-12.

**Anticipated Date of Completion:**

Immediately

**Name of Contact Person:**

Crystal Smith

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2008**

**Corrective Action Plan**

**Finding No.: 08-02**

**Condition:**

At June 30, 2008, the Regional Office of Education #12 had \$83,612 of deposits in a bank which exceeded the Federal Deposit Insurance Corporation (FDIC) insured limit and insufficient collateral was obtained from the bank regarding the amount in excess of the FDIC insured limit.

**Plan:**

The Regional Office of Education #12 will monitor on a monthly basis the amount of collateral held on deposit to ensure that an adequate amount is maintained.

**Anticipated Date of Completion:**

Immediately

**Name of Contact Person:**

Crystal Smith

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the year ended June 30, 2008**

**Finding Number**

**Condition**

**Current Status**

No findings were noted for year ended June 30, 2007.



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

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2008**

The Regional Office of Education #12 for the Counties of Clay, Crawford, Jasper, Lawrence and Richland 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. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements that follow.

**2008 Financial Highlights**

- Within the Governmental Funds, the General Fund revenues increased by \$102,080 from \$833,846 in fiscal year 2007 to \$935,926 in fiscal year 2008. Revenues from local sources and on-behalf payments both increased. General Fund expenditures increased by \$85,544 from \$827,000 in FY07 to \$912,544 in FY08. Salaries and benefits decreased while purchased services and on-behalf payments increased.
- Within the Governmental Funds, the Special Revenue Funds revenue decreased by \$54,841 from \$2,283,258 in FY07 to \$2,228,417 in FY08. The Special Revenue Funds expenditures decreased by \$292,847 from \$2,296,561 in FY07 to \$2,003,714 in FY08. Revenue and expenditures from Title IV Safe & Drug Free decreased in FY08. The majority of the decrease in expenditures was due to a decrease in salaries and benefits.

**Using This Report**

This 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 the Regional Office'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 the Regional Office of Education as a whole and present an overall view of the office's finances.
- Fund financial statements report the Regional Office's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the financial statements provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements and supplementary information provides detail information about the non-major funds.

## **Reporting the Office as a Whole**

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

The Government-wide statements report information about the Regional Office of Education #12 as a whole. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid, using accounting methods similar to those used by private-sector companies.

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

- Over time, increases or decreases in the net assets can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Regional Office's overall health, additional non-financial factors, such as new laws, rules, regulations, and non-funded mandates need to be considered.

The Government-wide financial statements present all of the Office's activities as governmental activities. Local, state and federal monies finance most of these activities.

The fund financial statements provide detailed information about the Regional Office's funds, focusing on its most significant or "major" funds. Funds are accounting devices that allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by state law. The Regional Office of Education #12 established other funds to control and manage money for particular purposes.

The Office has two kinds of funds:

1. Governmental funds account for all of the Office's services. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Office's programs. The Office's Governmental Funds include: the General Fund and the Special Revenue Funds.

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

2. Fiduciary funds are used to account for assets held by the Regional Office of Education #12 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

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

A summary reconciliation between the Government-wide financial statements and the fund financial statements follows the fund financial statements.

### Government-Wide Financial Analysis

As noted earlier, net assets may serve when examined over time as one indicator of the financial position of the Regional Office. The net assets at the end of FY08 totaled \$1,044,244. At the end of FY07, the net assets were \$781,402. The analysis that follows provides a summary of the office's governmental net assets at June 30, 2008 and 2007.

#### CONDENSED STATEMENT OF NET ASSETS

	<u>Governmental Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current assets	\$1,058,316	\$ 790,383	\$1,058,316	\$ 790,383
Noncurrent assets				
Capital assets, net	<u>87,125</u>	<u>72,368</u>	<u>87,125</u>	<u>72,368</u>
Total assets	<u>1,145,441</u>	<u>862,751</u>	<u>1,145,441</u>	<u>862,751</u>
Current liabilities	<u>101,197</u>	<u>81,349</u>	<u>101,197</u>	<u>81,349</u>
Total liabilities	<u>101,197</u>	<u>81,349</u>	<u>101,197</u>	<u>81,349</u>
Net assets:				
Invested in capital assets	87,125	72,368	87,125	72,368
Restricted for teacher				
professional development	89,519	92,886	89,519	92,886
Unrestricted	<u>867,600</u>	<u>616,148</u>	<u>867,600</u>	<u>616,148</u>
Total net assets	<u>\$1,044,244</u>	<u>\$ 781,402</u>	<u>\$1,044,244</u>	<u>\$ 781,402</u>

The Regional Office of Education's net assets increased by \$262,842 from FY07. The increase occurred primarily as a result of decreases in salaries and benefits expenses. In addition, net assets related to the Teacher Institute Fund are considered restricted for teacher professional development.

The following analysis shows the changes in net assets for the years ended June 30, 2008 and 2007.

	<b><u>CHANGES IN NET ASSETS</u></b>			
	<u>Governmental Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:				
Program revenues:				
Operating grants and contributions	\$ 2,270,730	\$ 2,314,799	\$ 2,270,730	\$ 2,314,799
General revenues:				
Local sources	561,661	515,886	561,661	515,886
On-behalf payments	308,771	260,878	308,771	260,878
Interest	23,181	25,541	23,181	25,541
Total revenues	<u>3,164,343</u>	<u>3,117,104</u>	<u>3,164,343</u>	<u>3,117,104</u>
Expenses:				
Programs expenses:				
Salaries and benefits	1,387,201	1,603,041	1,387,201	1,603,041
Purchased services	899,829	908,341	899,829	908,341
Supplies and materials	253,409	257,134	253,409	257,134
Other objects	17,550	49,740	17,550	49,740
Payments to other governments	1,895	26,971	1,895	26,971
Depreciation	32,846	41,045	32,846	41,045
Administrative expenses:				
On-behalf payments - state	308,771	260,878	308,771	260,878
Total expenses	<u>2,901,501</u>	<u>3,147,150</u>	<u>2,901,501</u>	<u>3,147,150</u>
Changes in net assets	262,842	(30,046)	262,842	(30,046)
Net assets, beginning of year	<u>781,402</u>	<u>811,448</u>	<u>781,402</u>	<u>811,448</u>
Net assets, end of year	<u>\$ 1,044,244</u>	<u>\$ 781,402</u>	<u>\$ 1,044,244</u>	<u>\$ 781,402</u>

## **Governmental Activities**

Revenues for governmental activities were \$3,164,343 and expenses were \$2,901,501. The Regional Office of Education #12 experienced an increase in revenues and a decrease in expenses during FY08. New funding from an additional Early Childhood grant contributed to the increase in revenues. The decrease in expenses is due to decreases in salaries and benefits in the Truants Alternative/Optional Education and Regional Safe Schools Programs. The Regional Office has worked diligently to reduce salary costs during the last fiscal year. The duties of retired employees were absorbed by other staff rather than hiring new employees. In addition, teacher aides were not employed until their services were deemed absolutely necessary.

## **Financial Analysis of the Regional Office of Education #12 Funds**

As previously noted, the Regional Office of Education #12 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Office's Governmental Funds reported combined fund balances of \$957,119 in FY08 and \$709,034 in FY07. The primary reason for the increase in combined fund balances in FY08 was the decrease in salaries and benefits expenditures.

### **Governmental Fund Highlights:**

- Increased funding was received for the Truant Alternative/Optional Education Program.
- The Regional Office of Education #12 greatly reduced salaries and benefits expenditures for the Truant Alternative/Optional Education and Regional Safe Schools Programs.
- The delay in grant funding payments from the State has created a significant financial hardship.

### **Budgetary Highlights:**

The ROE #12 annually adopts budgets for certain grants, which are submitted to the State Board of Education. The State Board reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the State Board for final approval. The budget may be amended during the year utilizing procedures prescribed by the State Board. Over the course of the year, the ROE #12 amended several of its grant budgets to reflect adjustments in revenue and expenditures associated with changes in funding from the federal and State sources or for additional services needed and provided to the local school districts. A schedule showing the original and final grant budget amounts compared to the ROE's actual financial activity is included in the supplementary information section of this report on page 51 and pages 58 through 65.

### **Capital Assets**

Capital Assets of the Regional Office of Education #12 include office equipment, computers, audio-visual equipment and office furniture. The Regional Office of Education #12 maintains an inventory of capital assets that has accumulated over time. The increase for FY08 was \$47,603 which came as a result of funding for the purchase of equipment provided to the Regional Office of Education #12. No assets were disposed of during this fiscal year. In addition, the Regional Office of Education #12 has adopted a depreciation schedule that reflects the level of capital assets, net of accumulated depreciation.

### **Economic Factors and Next Year's Budget**

At the time these financial statements were prepared and audited, the Regional Office was aware of several existing circumstances that could affect its financial health in the future:

- The State of Illinois Foundation level used in the calculation of General State Aid has increased to \$5,959 per student.
- Several grants have remained near or at previous levels while costs such as wages, insurance and travel continue to increase.
- County Board support of the Regional Office of Education #12 for the year ended June 30, 2009 will increase slightly over the FY08 level.

### **Contacting the Regional Office's Financial Management**

This financial report is designed to provide the Regional Offices' citizens, taxpayers, clients and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent of the Regional Office of Education #12, 103 W. Main Street, Olney, IL 62450.

## **BASIC FINANCIAL STATEMENTS**

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**STATEMENT OF NET ASSETS  
June 30, 2008**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 982,344
Due from other governments	75,467
Prepaid items	<u>505</u>
Total current assets	1,058,316
Noncurrent assets:	
Capital assets, net	<u>87,125</u>
Total assets	<u>1,145,441</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	27,188
Deferred revenue	<u>74,009</u>
Total liabilities	<u>101,197</u>
<b>NET ASSETS</b>	
Invested in capital assets	87,125
Restricted for teacher professional development	89,519
Unrestricted	<u>867,600</u>
Total net assets	<u><u>\$ 1,044,244</u></u>

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

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**STATEMENT OF ACTIVITIES  
For the year ended June 30, 2008**

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Revenues</u> Operating Grants and Contributions	<u>Net (Expenses) Revenue and Changes in Net Assets</u>  Governmental Activities
Governmental Activities:			
Instructional services:			
Salaries and benefits	\$ 1,387,201	\$ 1,291,631	\$ (95,570)
Purchased services	899,829	674,602	(225,227)
Supplies and materials	253,409	247,653	(5,756)
Capital outlay	-	42,947	42,947
Payments to other governments	1,895	237	(1,658)
Other objects	17,550	13,660	(3,890)
Depreciation	32,846	-	(32,846)
Administrative:			
On-behalf payments	308,771	-	(308,771)
 Total governmental activities	 <u>\$ 2,901,501</u>	 <u>\$ 2,270,730</u>	 <u>(630,771)</u>
 General revenues:			
			561,661
			308,771
			<u>23,181</u>
			 <u>893,613</u>
			 262,842
			 <u>781,402</u>
			 <u>\$ 1,044,244</u>

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

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2008**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 244,774	\$ 652,650	\$ 84,920	\$ 982,344
Due from other funds	40,861	84	10,217	51,162
Due from other governments	4,258	71,209	-	75,467
Prepaid items	-	505	-	505
<b>Total assets</b>	<b><u>\$ 289,893</u></b>	<b><u>\$ 724,448</u></b>	<b><u>\$ 95,137</u></b>	<b><u>\$ 1,109,478</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 1,225	\$ 25,963	\$ -	\$ 27,188
Due to other funds	84	51,078	-	51,162
Deferred revenue	-	73,191	818	74,009
<b>Total liabilities</b>	<b><u>1,309</u></b>	<b><u>150,232</u></b>	<b><u>818</u></b>	<b><u>152,359</u></b>
<b>FUND BALANCES</b>				
Reserved for prepaid items	-	505	-	505
Unreserved, reported in:				
General fund	288,584	-	-	288,584
Special revenue funds	-	573,711	94,319	668,030
<b>Total fund balances</b>	<b><u>288,584</u></b>	<b><u>574,216</u></b>	<b><u>94,319</u></b>	<b><u>957,119</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 289,893</u></b>	<b><u>\$ 724,448</u></b>	<b><u>\$ 95,137</u></b>	<b><u>\$ 1,109,478</u></b>

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

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
June 30, 2008**

Total fund balances-governmental funds	\$ 957,119
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	<u>87,125</u>
Net assets of governmental activities	<u><u>\$ 1,044,244</u></u>

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

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the year ended June 30, 2008**

	General Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
<b>Revenues:</b>				
Local sources	\$ 533,588	\$ 7,462	\$ 20,611	\$ 561,661
State sources	75,623	1,828,222	5,600	1,909,445
Federal sources	-	361,285	-	361,285
On-behalf payments	308,771	-	-	308,771
Interest income	17,944	3,597	1,640	23,181
Total revenues	<u>935,926</u>	<u>2,200,566</u>	<u>27,851</u>	<u>3,164,343</u>
<b>Expenditures:</b>				
Instructional services:				
Salaries and benefits	249,821	1,130,020	7,360	1,387,201
Purchased services	304,918	567,556	27,355	899,829
Supplies and materials	32,316	218,231	2,862	253,409
Payments to other governments	1,895	-	-	1,895
Other objects	5,592	11,582	376	17,550
On-behalf payments	308,771	-	-	308,771
Capital outlay	9,231	37,372	1,000	47,603
Total expenditures	<u>912,544</u>	<u>1,964,761</u>	<u>38,953</u>	<u>2,916,258</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,382</u>	<u>235,805</u>	<u>(11,102)</u>	<u>248,085</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	104	104
Transfers out	(104)	-	-	(104)
Total other financing sources (uses)	<u>(104)</u>	<u>-</u>	<u>104</u>	<u>-</u>
Net change in fund balances	23,278	235,805	(10,998)	248,085
Fund balances, beginning of year	<u>265,306</u>	<u>338,411</u>	<u>105,317</u>	<u>709,034</u>
Fund balances, end of year	<u>\$ 288,584</u>	<u>\$ 574,216</u>	<u>\$ 94,319</u>	<u>\$ 957,119</u>

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

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
For the year ended June 30, 2008**

Net change in fund balances \$ 248,085

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	\$ 47,603	
Depreciation expense	<u>(32,846)</u>	<u>14,757</u>

Change in net assets of governmental activities \$ 262,842

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

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
June 30, 2008**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 11,880
Due from other governments	<u>2,460,167</u>
Total assets	<u><u>\$ 2,472,047</u></u>
<b>LIABILITIES</b>	
Due to other governments	<u>\$ 2,472,047</u>
Total liabilities	<u><u>\$ 2,472,047</u></u>

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

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Regional Office of Education #12's accounting policies conform to generally accepted accounting principles that are appropriate to local governmental units of this type.

**A. Reporting Entity**

The Regional Office of Education #12 was created by Illinois Public Act 76-735, as amended, effective August 8, 1995. The region encompasses Clay, Crawford, Jasper, Lawrence and Richland counties.

The Regional Superintendent of Schools is the chief administrative officer of the region and is elected to the position for a four-year term. The Regional Superintendent is responsible for the supervision and control of the school districts.

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

The Regional Office of Education #12 derives its oversight, power and authority over the school districts from the School Code and is responsible for its own fiscal and budgetary matters. The Regional Office of Education #12 exercises no oversight responsibility on financial interdependency, selection of governing authority, designation of management or the ability to significantly influence the operations of any other agency. Control or dependency is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing order. Therefore, no other agency has been included as a component unit in the Regional Office of Education #12's financial statements. In addition, the Regional Office of Education #12 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education #12 being considered a component unit of the entity.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. **Government-wide and Fund Financial Statements** (Continued)

The Statement of Net Assets includes all of the Regional Office of Education #12's assets and liabilities, including capital assets. 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 that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

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

C. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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 met.

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 of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

It is the Regional Office of Education #12's policy to first apply restricted resources when an expenditure or expense is incurred for which both restricted and unrestricted resources are available.

CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements distinguish between major and nonmajor funds. Major funds are funds whose revenues, expenditures, assets or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental funds. Any other governmental fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users. Furthermore, the General Fund is always a major fund. Each major fund is reported as a separate column in the basic fund financial statements. All funds that do not meet any of the above criteria are considered nonmajor funds and consolidated into one column reported as "Other Nonmajor Funds."

The Regional Office of Education #12 reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the Regional Office of Education #12 and is used to account for all financial resources that are not legally restricted for expenditure for specified purposes. The following funds are included in the General Fund:

**ROE/ISC Operations** - To account for the funding of activities of the Regional Office of Education #12 pursuant to the Illinois Administrative Code which mandates the Regional Office to provide professional development activities in the fundamental learning areas, gifted education, administrators' academy, school improvement, technology and other activities based upon the needs of local school districts and State and federal mandates.

**Special Projects** - To account for monies used to provide numerous services to the administrators, staff and students within the Regional Office of Education #12.

**Office** - To account for the expenditures and payroll for the five Regional Office of Education #12 offices.

**Local** - To account for local revenue from registration fees and various other sources. These funds are used for professional development meetings and workshops, conferences to provide hands-on learning curriculum opportunities, teams to focus on integration of the Illinois Learning Standards, activities to promote creative thinking, problem solving, and team building activities, enrichment courses for students in kindergarten through sixth grade, and continuing education courses.

CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Major Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. Major special revenue funds include the following:

Education - This fund accounts for the State and federal grant monies received for administering numerous grant awards which include:

Truants Alternative/Optional Education - To account for grant monies received to provide truancy prevention programming and to monitor truants.

Early Childhood Block Grant - To account for grant monies received to provide early childhood education to area three and four year old children.

Title IV Safe and Drug Free Schools - To account for grant monies received to provide safe school professional development activities to educators throughout the State of Illinois.

Accountability Liaison Program - To carry out program monitoring and provide technical assistance for the Preschool for All programs and report upon those activities to the Regional Office of Education and the Illinois State Board of Education.

Technology for Success (formerly called Technology - Learning Technology Centers) - To account for grant monies received from the Illinois State Board of Education to provide technology direction and support for Area 6 North schools.

Regional Safe Schools - To account for grant monies received for expenditures and administration of the regional safe schools program.

McKinney Ed. for Homeless Children - To account for grant monies received and expended assisting school districts in identifying and providing assistance to at-risk students.

System of Support (RESPRO) - To provide improvement support to schools in academic early warning and academic watch status as well as to assist other schools whose performance makes placement on the lists in the near future likely.

Standards Aligned Classroom - To account for the federal grant monies received to support learning teams focused on alignment of classroom level assessment and instruction.

CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

**Major Special Revenue Funds** (Continued)

**Education** (Continued)

**Early Childhood Block Grant - St. Thomas** - To provide funds for early childhood and family education programs and services that will help young children enter school ready to learn.

**Early Childhood Block Grant - Preschool for All** - To provide funds for early childhood and family education programs and services that will help young children enter school ready to learn.

The Regional Office of Education #12 reports the following nonmajor governmental funds:

**Nonmajor Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. Nonmajor special revenue funds include the following:

**General Education Development** - To account for the administration of the GED testing program. Monies are received from testing and diploma fees.

**School Bus Transportation** - To account for the stewardship of the assets held in connection with the Bus Driver Training Program.

**Supervisory** - To account for the monies received from the State Board of Education for expenditures incurred providing supervisory services for the region.

**Institute** - To account for the stewardship of the assets held for the benefit of the teachers. Fees are collected from registration of teachers' certificates of qualification. Monies are expended to conduct teachers' institutes, conferences and workshops. All funds generated remain restricted until expended only on the aforementioned activities.

**Regional Board of Trustees** - To account for monies received from individuals filing petitions requesting change of boundary hearings with the Regional Board of School Trustees. Monies are expended to cover hearing expenses.

CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

The Regional Office of Education #12 reports the following fiduciary funds:

**Agency Funds** - Agency funds are used to account for assets held by the Regional Office of Education #12 in a trustee capacity or as an agent for other governments. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the outside organizations are equal to the assets held. Included among these funds are:

**Distributive** - To account for monies received from the State for disbursement to other funds or school districts.

**Speech Pathology Payroll** - To process speech pathologist wages and benefits/ deductions for various school districts.

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

D. **Assets, Liabilities, and Net Assets or Equity**

1. **Cash and Investments**

State regulations require that Regional Office of Education #12 deposit funds under its control into accounts insured by the federal government, secured by substantial collateral, or into pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

Statutes authorize the Regional Office of Education #12 to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

2. **Interfund Transactions**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

3. Capital Assets

Capital assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Regional Office as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building improvements	10-20
Office equipment	5-10
Computer equipment	5

In the fund financial statements, capital assets used in governmental operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

4. Compensated Absences

It is the Regional Office of Education #12's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. However, if at the end of the fiscal year the vacation and sick days are still unused, then they will be lost by the employees. Therefore, there were no accrued compensated absences as of June 30, 2008.

CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. **Assets, Liabilities, and Net Assets or Equity** (Continued)

5. **Equity Classifications**

**Government-wide Statements**

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

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

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

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

**Fund Statements**

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved.

E. **New Accounting Pronouncements**

The Regional Office of Education #12 has implemented GASB Statement No. 50, *Pension Disclosures an Amendment of GASB Statements No. 25 and No. 27*, effective for the fiscal year beginning July 1, 2007. This Statement changed the way that the Regional Office of Education #12 discloses pension information. The Regional Office of Education #12 has also implemented GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, effective for the fiscal year beginning July 1, 2007. This Statement had no effect on the Regional Office of Education #12's net assets or changes in net assets.

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**NOTES TO FINANCIAL STATEMENTS**

**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities**

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes reconciliation between *net changes in fund balances-total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “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.” The details of this \$14,757 difference are as follows:

Capital outlay - assets owned by the Regional Office	\$ 47,603
Depreciation expense	<u>(32,846)</u>
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 14,757</u>

**3. BUDGETS AND BUDGETARY ACCOUNTING**

The Regional Office of Education #12 did not adopt annual budgets and is not legally required to do so for all funds under its control, and annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

Budgets relating to programs funded by grants from the Illinois State Board of Education are prepared and submitted to the State Board as part of the grant awards process. The State Board must also approve amendments to these budgets. Grant project budgets are based on the award period. Budget versus actual statements have been presented for the following grants: ROE/ISC Operations, Truants Alternative/Optional Education, Early Childhood Block Grant, Title IV Safe and Drug Free Schools, Technology for Success, Regional Safe Schools, Early Childhood Block Grant-St. Thomas, and Early Childhood Block Grant-Preschool for All.

**4. USE OF ESTIMATES**

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

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**NOTES TO FINANCIAL STATEMENTS**

**5. AGREEMENTS WITH SCHOOL DISTRICTS WITHIN THE REGION**

The Special Projects Fund, a General Fund Account, was established by the Regional Superintendent upon receiving agreements with the school boards of all school districts within Clay, Crawford, Jasper, Lawrence and Richland counties. Interest on Distributive Fund receipts are transferred to the Special Projects Fund and are the primary source of revenues for the fund.

**6. CASH AND CASH EQUIVALENTS**

At June 30, 2008, the carrying amounts of the Regional Office of Education #12's deposits for the governmental activities and fiduciary funds were \$982,344 and \$11,880, respectively. The bank balances for the governmental activities and fiduciary funds were \$1,119,645 and \$2,159,986, respectively. Of the total bank balances for the governmental activities as of June 30, 2008, \$332,913 was secured by federal depository insurance, \$703,120 was collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education #12's name, and \$83,612 was uncollateralized. Of the bank balance for the fiduciary funds as of June 30, 2008, \$100,000 was secured by federal depository insurance and \$2,059,986 was collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education #12's name. The Illinois Funds Money Market Fund accounts had a total balance of \$13,062 at June 30, 2008. This amount is fully collateralized and not subject to credit risk.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the Regional Office of Education #12's deposits may not be returned to it. The Regional Office of Education #12 does not have a deposit policy for custodial risk. As of June 30, 2008, \$83,612 of the Regional Office of Education #12's bank balance was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 83,612</u>
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On July 1, 2008, the Regional Office of Education #12 increased the collateral covering deposits by \$527,648, extinguishing the custodial credit risk.

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**NOTES TO FINANCIAL STATEMENTS**

**7. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 386,234	\$ 47,603	\$ -	\$ 433,837
Less accumulated depreciation for:				
Machinery and equipment	<u>(313,866)</u>	<u>(32,846)</u>	<u>-</u>	<u>(346,712)</u>
Governmental activities capital assets, net	<u>\$ 72,368</u>	<u>\$ 14,757</u>	<u>\$ -</u>	<u>\$ 87,125</u>

Depreciation expense was charged to functions/programs of Regional Office of Education #12 as follows:

Governmental activities:	
Instructional services:	
Depreciation	<u>\$ 32,846</u>

**8. RETIREMENT FUND COMMITMENTS**

**A. Teachers' Retirement System of the State of Illinois**

The Regional Office of Education #12 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 the primary responsibility for funding 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. The active member rate was also 9.4 percent for the years ended June 30, 2007 and 2006.

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**NOTES TO FINANCIAL STATEMENTS**

**8. RETIREMENT FUND COMMITMENTS (Continued)**

**A. Teachers' Retirement System of the State of Illinois (Continued)**

In addition, virtually all employers and members pay a contribution to the Teacher's Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The employer THIS Fund contribution rate was 0.63 percent during the year ended June 30, 2008 and 0.60 percent during the years ended June 30, 2007 and 2006. The member THIS Fund health insurance contribution was 0.84 percent during the year ended June 30, 2008 and 0.80 percent during the years ended June 30, 2007 and 2006.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #12's TRS-covered employees.

*On-Behalf Contributions to TRS* - The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #12. For the year ended June 30, 2008, State of Illinois contributions were based on 13.11 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #12 recognized revenue and expenditures of \$104,229 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2007, and June 30, 2006, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 9.78 percent (\$86,192) and 7.06 percent (\$55,740), respectively.

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

The Regional Office of Education #12 makes other types of employer contributions directly to TRS.

*2.2 Formula Contributions* - Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2008 were \$4,612. Contributions for the years ending June 30, 2007 and June 30, 2006, were \$5,112 and \$4,583, respectively.

*Federal and Special Trust Fund Contributions* - When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #12, there is a statutory requirement for the Regional Office of Education #12 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

A. Teachers' Retirement System of the State of Illinois (Continued)

For the year ended June 30, 2008, the employer pension contribution was 13.11 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2007 and 2006, the employer contribution was 9.78 and 7.06 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2008, salaries totaling \$52,342 were paid from federal and special trust funds that required employer contributions of \$6,862. For the years ended June 30, 2007 and June 30, 2006, required employer contributions were \$9,064 and \$5,632, respectively.

*Early Retirement Option* - The Regional Office of Education #12 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 was provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they met certain conditions and retired on or before July 1, 2007. If members did 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 qualified for the Pipeline ERO.)

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

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

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

For the three years ended June 30, 2008, 2007, and 2006, the Regional Office of Education #12 paid no employer contributions under the Early Retirement Option.

*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.

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**NOTES TO FINANCIAL STATEMENTS**

**8. RETIREMENT FUND COMMITMENTS** (Continued)

**A. Teachers' Retirement System of the State of Illinois** (Continued)

For the three years ended June 30, 2008, 2007, and 2006, the Regional Office of Education #12 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.62 percent of salary during the year ended June 30, 2008).

For the three years ended June 30, 2008, 2007, and 2006, the Regional Office of Education #12 made no payments for employer contributions to TRS for sick leave days granted in excess of the normal annual allotment.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 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 [trs.illinois.gov](http://trs.illinois.gov).

**B. Illinois Municipal Retirement Fund**

*Plan Description* - The Regional Office of Education #12's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #12 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](http://www.imrf.org).

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**NOTES TO FINANCIAL STATEMENTS**

**8. RETIREMENT FUND COMMITMENTS (Continued)**

**B. Illinois Municipal Retirement Fund (Continued)**

*Funding Policy* - As set by statute, the Regional Office of Education #12 Regular plan members are required to contribute 4.5 percent of their annual covered salary. The statute requires 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 11.99 percent of annual covered payroll. Regional Office of Education #12 also contributes for disability benefits, death benefits and supplemental retirement benefits, all 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, Regional Office of Education #12's annual pension cost of \$63,612 for the Regular plan was equal to the Regional Office of Education #12's required and actual contributions.

**Three-Year Trend Information for the Regular Plan**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/07	\$ 63,612	100%	\$ -
12/31/06	39,493	100%	-
12/31/05	57,073	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 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3.0 percent annually. The actuarial value of the Regional Office of Education #12 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 15.0 percent corridor between the actuarial and market value of assets. The Regional Office of Education #12 Regular plan's overfunded 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.

CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12

NOTES TO FINANCIAL STATEMENTS

8. **RETIREMENT FUND COMMITMENTS** (Continued)

B. **Illinois Municipal Retirement Fund** (Continued)

*Funded Status and Funding Progress* - As of December 31, 2007, the most recent actuarial valuation date, the Regular plan was 101.47 percent funded. The actuarial accrued liability for benefits was \$2,286,294 and the actuarial value of assets was \$2,319,810, resulting in an overfunded actuarial accrued liability (UAAL) of \$33,516. The covered payroll (annual payroll of active employees covered by the plan) was \$530,541 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 supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

C. **Social Security**

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security.

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**NOTES TO FINANCIAL STATEMENTS**

**9. INTERFUND RECEIVABLES AND PAYABLES**

At June 30, 2008, interfund receivables and payables were as follows:

Due To (Receivable)	Due From (Payable)	Balance at June 30, 2008
General Fund:	Education Fund:	
Special Projects	Early Childhood - Preschool for All	\$ 8,594
Special Projects	Early Childhood Block Grant	4,008
Special Projects	Early Childhood - St. Thomas	2,319
Special Projects	Accountability Liaison Program	5,625
Special Projects	Technology for Success	343
Local	System of Support (RESPRO)	16,972
Local	Standards Aligned Classroom	3,000
		40,861
Nonmajor Special Revenue Fund:	Education Fund:	
Institute	Technology for Success	10,217
		51,078
Education Fund:	General Fund:	
Title IV Safe & Drug Free Schools	Local	84
		\$ 51,162

The amounts due to the General Fund from the Education Fund are to cover expenditures which exceeded cash available and for prepaid conference expenses. Amounts due to the Nonmajor Special Revenue Fund from the Education Fund are to cover expenditures which exceeded cash available. Amounts due to the Education Fund from the General Fund are to cover expenditures which exceeded cash available.

**10. BOND**

The 105 ILCS 5/3-2 directs the Regional Office of Education #12 to execute a bond of not less than \$100,000 on the Regional Superintendent. The Regional Office of Education #12 has secured and maintained such a bond with coverage of \$1,000,000 on the Regional Superintendent.

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**NOTES TO FINANCIAL STATEMENTS**

**11. SCHEDULE OF TRANSFERS**

At June 30, 2008, transfers were as follows:

Transfer From Other Funds (Transfer In)	Transfer To Other Funds (Transfers Out)
Nonmajor Special Revenue Fund:	General Fund:
School Bus Transportation      \$      104	Special Projects                      \$      104

The transfer relates to the amount by which the School Bus Transportation expenditures exceeded the amount of money that it had on hand during the year. The funds were transferred in from the Special Projects Fund to cover the excess.

**12. DUE TO/FROM OTHER GOVERNMENTS**

The Regional Office of Education #12's various grant and local programs have funds due from various other governmental units which consist of the following:

Due From Other Governments:

<u>General Fund</u>	
Local School Districts	\$    4,258
<u>Education Fund</u>	
Illinois State Board of Education	24,071
Regional Office of Education #27	5,625
Regional Office of Education # 31	1,756
Regional Office of Education #2	36,757
Regional Office of Education #25	3,000
	71,209
<u>Agency Fund</u>	
Illinois State Board of Education	2,460,167
Total	\$2,535,634

Due To Other Governments:

<u>Agency Fund</u>	
Local School Districts	\$2,472,047

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**NOTES TO FINANCIAL STATEMENTS**

**13. ON-BEHALF PAYMENTS**

The Regional Office of Education #12 received on-behalf payments for employee salaries and benefits from the State of Illinois for the following items:

Regional Superintendent salary	\$ 101,219
Regional Superintendent benefits (includes State paid insurance)	20,453
Assistant Regional Superintendent salary	81,625
Assistant Regional Superintendent benefits	1,245
TRS pension contributions	<u>104,229</u>
	<u>\$ 308,771</u>

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education. Supplemental payments for previous years were paid to previous Regional Superintendents and Assistant Regional Superintendents in the current year.

The on-behalf payments are reflected as revenues and expenditures of the General Fund.

**14. RISK MANAGEMENT - CLAIMS AND JUDGMENTS**

The Regional Office of Education #12 is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation; and natural disasters. The Regional Office of Education #12 is covered by commercial insurance to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years.

**15. CONTINGENCIES**

The Regional Office of Education #12 has received funding from federal and State grants in the current and prior years which are subject to audits by granting agencies. The Regional Office of Education #12 believes any adjustments that may arise will be insignificant to the Regional Office of Education #12's operations.

Currently, the Regional Office of Education #12 is the defendant in a lawsuit with a former worker at the Regional Office. As the possible outcome of this case is uncertain, the potential loss is unknown at this time.

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**NOTES TO FINANCIAL STATEMENTS**

**16. RECLASSIFICATIONS**

The Regional Office of Education #12 reclassified its Institute Fund as a Nonmajor Special Revenue Fund. Therefore, the beginning fund balance of the Nonmajor Special Revenue Funds has been adjusted as follows:

	<u>Nonmajor Special Revenue Funds</u>
Fund balance at June 30, 2007	\$ 12,431
Reclassification of Institute fund balance to Nonmajor Special Revenue Funds	<u>92,886</u>
Fund balance restated at June 30, 2007	<u><u>\$ 105,317</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION  
(OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS)**

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/07	\$ 2,319,810	\$ 2,286,294	\$ (33,516)	101.47%	\$ 530,541	0.00%
12/31/06	2,153,877	2,200,811	46,934	97.87%	562,584	8.34%
12/30/05	1,948,864	2,027,474	78,610	96.12%	519,319	15.14%

On a market value basis, the actuarial value of assets as of December 31, 2007 was \$2,473,237. On a market value basis, the funded ratio would be 108.18%.

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**

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
June 30, 2008**

	<u>ROE/ISC Operations</u>	<u>Special Projects</u>	<u>Office</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 153,962	\$ 57,799
Due from other funds	-	20,889	-
Due from other governments	-	4,258	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ -</u>	<u>\$ 179,109</u>	<u>\$ 57,799</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 257	\$ 233
Due to other funds	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	-	257	233
<b>FUND BALANCE</b>			
Unreserved	<hr/>	<hr/>	<hr/>
	-	178,852	57,566
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 179,109</u>	<u>\$ 57,799</u>

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)  
GENERAL FUND  
June 30, 2008**

	Local	Total
<b>ASSETS</b>		
Cash and cash equivalents	\$ 33,013	\$ 244,774
Due from other funds	19,972	40,861
Due from other governments	-	4,258
Total assets	\$ 52,985	\$ 289,893
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 735	\$ 1,225
Due to other funds	84	84
Total liabilities	819	1,309
<b>FUND BALANCE</b>		
Unreserved	52,166	288,584
Total liabilities and fund balance	\$ 52,985	\$ 289,893

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
GENERAL FUND ACCOUNTS  
For the year ended June 30, 2008**

	ROE/ISC Operations	Special Projects	Office
<b>Revenues:</b>			
Local sources	\$ -	\$ 189,822	\$ 217,625
State sources	75,623	-	-
On-behalf payments	-	-	308,771
Interest income	-	17,214	524
<b>Total revenues</b>	<b>75,623</b>	<b>207,036</b>	<b>526,920</b>
<b>Expenditures:</b>			
Salaries and benefits	39,866	-	202,543
Purchased services	18,111	164,397	18,985
Supplies and materials	8,520	2,072	1,095
Capital outlay	7,231	1,000	1,000
Payments to other governments	1,895	-	-
Other objects	-	5,538	-
On-behalf payments	-	-	308,771
<b>Total expenditures</b>	<b>75,623</b>	<b>173,007</b>	<b>532,394</b>
Excess (deficiency) of revenues over (under) expenditures	-	34,029	(5,474)
<b>Other financing uses:</b>			
Transfers out	-	(104)	-
<b>Net change in fund balance</b>	<b>-</b>	<b>33,925</b>	<b>(5,474)</b>
Fund balance, beginning of year	-	144,927	63,040
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 178,852</b>	<b>\$ 57,566</b>

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (Continued)  
GENERAL FUND ACCOUNTS  
For the year ended June 30, 2008**

	Local	Total
<b>Revenues:</b>		
Local sources	\$ 126,141	\$ 533,588
State sources	-	75,623
On-behalf payments	-	308,771
Interest income	206	17,944
	<u>126,347</u>	<u>935,926</u>
<b>Expenditures:</b>		
Salaries and benefits	7,412	249,821
Purchased services	103,425	304,918
Supplies and materials	20,629	32,316
Capital outlay	-	9,231
Payments to other governments	-	1,895
Other objects	54	5,592
On-behalf payments	-	308,771
	<u>131,520</u>	<u>912,544</u>
Excess (deficiency) of revenues over (under) expenditures	(5,173)	23,382
<b>Other financing uses:</b>		
Transfers out	-	(104)
	<u>(5,173)</u>	<u>23,278</u>
Net change in fund balance	(5,173)	23,278
Fund balance, beginning of year	<u>57,339</u>	<u>265,306</u>
Fund balance, end of year	<u>\$ 52,166</u>	<u>\$ 288,584</u>

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND ACCOUNTS  
ROE/ISC OPERATIONS – PROJECT #08-3730-00  
For the year ended June 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
State sources	\$ 73,785	\$ 75,623	\$ 75,623	\$ -
Total revenues	<u>73,785</u>	<u>75,623</u>	<u>75,623</u>	<u>-</u>
<b>Expenditures:</b>				
Salaries and benefits	61,178	39,547	39,866	(319)
Purchased services	8,320	19,348	18,111	1,237
Supplies and materials	1,287	7,728	8,520	(792)
Capital outlay	2,000	7,500	7,231	269
Payments to other governments	1,000	1,500	1,895	(395)
Total expenditures	<u>73,785</u>	<u>75,623</u>	<u>75,623</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2008**

	Truants Alternative/ Optional Education	Early Childhood Block Grant	Title IV Safe and Drug Free Schools	Accountability Liaison Program
<b>ASSETS</b>				
Cash and cash equivalents	\$ 310,804	\$ 96	\$ 78,607	\$ -
Due from other funds	-	-	84	-
Due from other governments	-	4,008	-	5,625
Prepaid items	-	-	-	-
Total assets	<u>\$ 310,804</u>	<u>\$ 4,104</u>	<u>\$ 78,691</u>	<u>\$ 5,625</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 598	\$ 80	\$ 5,500	\$ -
Due to other funds	-	4,008	-	5,625
Deferred revenue	-	-	73,191	-
Total liabilities	<u>598</u>	<u>4,088</u>	<u>78,691</u>	<u>5,625</u>
<b>FUND BALANCE</b>				
Reserved for prepaid items	-	-	-	-
Unreserved	<u>310,206</u>	<u>16</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>310,206</u>	<u>16</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 310,804</u>	<u>\$ 4,104</u>	<u>\$ 78,691</u>	<u>\$ 5,625</u>

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)  
EDUCATION FUND  
June 30, 2008**

	<u>Technology for Success</u>	<u>Regional Safe Schools</u>	<u>McKinney Ed. For Homeless Children</u>	<u>System of Support (RESPRO)</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 263,143	\$ -	\$ -
Due from other funds	-	-	-	-
Due from other governments	10,906	-	-	36,757
Prepaid items	505	-	-	-
	<u>505</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 11,411</u>	<u>\$ 263,143</u>	<u>\$ -</u>	<u>\$ 36,757</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 19,785
Due to other funds	10,560	-	-	16,972
Deferred revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>10,560</u>	<u>-</u>	<u>-</u>	<u>36,757</u>
<b>FUND BALANCE</b>				
Reserved for prepaid items	505	-	-	-
Unreserved	346	263,143	-	-
	<u>346</u>	<u>263,143</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>851</u>	<u>263,143</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 11,411</u>	<u>\$ 263,143</u>	<u>\$ -</u>	<u>\$ 36,757</u>

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)  
EDUCATION FUND  
June 30, 2008**

	Standards Aligned Classroom	Early Childhood - St. Thomas	Early Childhood - Preschool For All	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 652,650
Due from other funds	-	-	-	84
Due from other governments	3,000	2,319	8,594	71,209
Prepaid items	-	-	-	505
<b>Total assets</b>	<b><u>\$ 3,000</u></b>	<b><u>\$ 2,319</u></b>	<b><u>\$ 8,594</u></b>	<b><u>\$ 724,448</u></b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 25,963
Due to other funds	3,000	2,319	8,594	51,078
Deferred revenue	-	-	-	73,191
<b>Total liabilities</b>	<b><u>3,000</u></b>	<b><u>2,319</u></b>	<b><u>8,594</u></b>	<b><u>150,232</u></b>
<b>FUND BALANCE</b>				
Reserved for prepaid items	-	-	-	505
Unreserved	-	-	-	573,711
<b>Total fund balance</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>574,216</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 3,000</u></b>	<b><u>\$ 2,319</u></b>	<b><u>\$ 8,594</u></b>	<b><u>\$ 724,448</u></b>

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
EDUCATION FUND ACCOUNTS  
For the year ended June 30, 2008**

	Truants Alternative/ Optional Education	Early Childhood Block Grant	Title IV Safe and Drug Free Schools	Accountability Liaison Program
<b>Revenues:</b>				
Local sources	\$ 1,302	\$ 96	\$ -	\$ -
State sources	668,772	248,560	-	25,500
Federal sources	-	-	166,157	-
Interest income	1,789	-	-	-
<b>Total revenues</b>	<b>671,863</b>	<b>248,656</b>	<b>166,157</b>	<b>25,500</b>
<b>Expenditures:</b>				
Salaries and benefits	386,988	116,919	51,339	-
Purchased services	82,657	53,844	103,982	23,828
Supplies and materials	28,096	69,198	6,389	1,672
Capital outlay	9,218	8,599	-	-
Other objects	1,256	80	4,447	-
<b>Total expenditures</b>	<b>508,215</b>	<b>248,640</b>	<b>166,157</b>	<b>25,500</b>
Excess (deficiency) of revenues over (under) expenditures	163,648	16	-	-
Fund balance, beginning of year	146,558	-	-	-
<b>Fund balance, end of year</b>	<b>\$ 310,206</b>	<b>\$ 16</b>	<b>\$ -</b>	<b>\$ -</b>

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (Continued)  
EDUCATION FUND ACCOUNTS  
For the year ended June 30, 2008**

	Technology for Success	Regional Safe Schools	McKinney Ed. For Homeless Children	System of Support (RESPRO)
<b>Revenues:</b>				
Local sources	\$ 6,064	\$ -	\$ -	\$ -
State sources	169,147	289,064	-	43,179
Federal sources	-	-	24,181	148,667
Interest income	483	1,325	-	-
<b>Total revenues</b>	<b>175,694</b>	<b>290,389</b>	<b>24,181</b>	<b>191,846</b>
<b>Expenditures:</b>				
Salaries and benefits	104,758	208,273	7,392	59,790
Purchased services	55,217	7,954	4,032	108,957
Supplies and materials	2,248	2,865	12,757	22,791
Capital outlay	7,136	-	-	-
Other objects	5,488	-	3	308
<b>Total expenditures</b>	<b>174,847</b>	<b>219,092</b>	<b>24,184</b>	<b>191,846</b>
Excess (deficiency) of revenues over (under) expenditures	847	71,297	(3)	-
Fund balance, beginning of year	4	191,846	3	-
Fund balance, end of year	\$ 851	\$ 263,143	\$ -	\$ -

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (Continued)  
EDUCATION FUND ACCOUNTS  
For the year ended June 30, 2008**

	Standards Aligned Classroom	Early Childhood - St. Thomas	Early Childhood - Preschool For All	Total
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ 7,462
State sources	-	60,000	324,000	1,828,222
Federal sources	22,280	-	-	361,285
Interest income	-	-	-	3,597
<b>Total revenues</b>	<b>22,280</b>	<b>60,000</b>	<b>324,000</b>	<b>2,200,566</b>
Expenditures:				
Salaries and benefits	11,090	24,735	158,736	1,130,020
Purchased services	8,263	8,174	110,648	567,556
Supplies and materials	2,927	22,791	46,497	218,231
Capital outlay	-	4,300	8,119	37,372
Other objects	-	-	-	11,582
<b>Total expenditures</b>	<b>22,280</b>	<b>60,000</b>	<b>324,000</b>	<b>1,964,761</b>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	235,805
Fund balance, beginning of year	-	-	-	338,411
Fund balance, end of year	\$ -	\$ -	\$ -	\$ 574,216

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION – PROJECT #08-3695-00  
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Local sources	\$ -	\$ -	\$ 1,302	\$ 1,302
State sources	475,000	432,474	668,772	236,298
Interest income	-	-	1,789	1,789
<b>Total revenues</b>	<u>475,000</u>	<u>432,474</u>	<u>671,863</u>	<u>239,389</u>
<b>Expenditures:</b>				
Salaries and benefits	358,175	331,005	386,988	(55,983)
Purchased services	78,325	67,969	82,657	(14,688)
Supplies and materials	23,500	23,500	28,096	(4,596)
Capital outlay	15,000	10,000	9,218	782
Other objects	-	-	1,256	(1,256)
<b>Total expenditures</b>	<u>475,000</u>	<u>432,474</u>	<u>508,215</u>	<u>(75,741)</u>
<b>Excess of revenues over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	163,648	<u>\$ 163,648</u>
Fund balance, beginning of year			<u>146,558</u>	
Fund balance, end of year			<u>\$ 310,206</u>	

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
EARLY CHILDHOOD BLOCK GRANT – PROJECT #08-3705-00  
For the year ended June 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Local sources	\$ -	\$ -	\$ 96	\$ 96
State sources	241,320	248,560	248,560	-
<b>Total revenues</b>	<b>241,320</b>	<b>248,560</b>	<b>248,656</b>	<b>96</b>
<b>Expenditures:</b>				
Salaries and benefits	113,704	114,704	116,919	(2,215)
Purchased services	75,771	54,971	53,844	1,127
Supplies and materials	51,845	69,885	69,198	687
Capital outlay	-	9,000	8,599	401
Other objects	-	-	80	(80)
<b>Total expenditures</b>	<b>241,320</b>	<b>248,560</b>	<b>248,640</b>	<b>(80)</b>
<b>Excess of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>16</b>	<b>\$ 16</b>
Fund balance, beginning of year			-	
Fund balance, end of year			\$ 16	

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
TITLE IV SAFE AND DRUG FREE SCHOOLS – PROJECT #07-4415-00  
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Federal sources	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 39,347</u>	<u>\$ (260,653)</u>
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>39,347</u>	<u>(260,653)</u>
<b>Expenditures:</b>				
Salaries and benefits	75,822	75,822	19,201	56,621
Purchased services	196,806	196,806	18,879	177,927
Supplies and materials	21,012	21,012	1,267	19,745
Other objects	<u>6,360</u>	<u>6,360</u>	<u>-</u>	<u>6,360</u>
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>39,347</u>	<u>260,653</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
TITLE IV SAFE AND DRUG FREE SCHOOLS – PROJECT #08-4415-00  
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Federal sources	<u>\$ 205,656</u>	<u>\$ 211,656</u>	<u>\$ 126,810</u>	<u>\$ (84,846)</u>
Total revenues	<u>205,656</u>	<u>211,656</u>	<u>126,810</u>	<u>(84,846)</u>
<b>Expenditures:</b>				
Salaries and benefits	55,270	55,270	32,138	23,132
Purchased services	140,479	145,785	85,103	60,682
Supplies and materials	4,760	5,454	5,122	332
Capital outlay	700	700	-	700
Other objects	<u>4,447</u>	<u>4,447</u>	<u>4,447</u>	<u>-</u>
Total expenditures	<u>205,656</u>	<u>211,656</u>	<u>126,810</u>	<u>84,846</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
TECHNOLOGY FOR SUCCESS – PROJECT #08-3780-00  
For the year ended June 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Local sources	\$ -	\$ -	\$ 6,064	\$ 6,064
State sources	165,847	169,147	169,147	-
Interest income	-	-	483	483
<b>Total revenues</b>	<b>165,847</b>	<b>169,147</b>	<b>175,694</b>	<b>6,547</b>
<b>Expenditures:</b>				
Salaries and benefits	113,127	108,405	104,758	3,647
Purchased services	51,720	53,617	55,217	(1,600)
Supplies and materials	1,000	2,000	2,248	(248)
Capital outlay	-	5,125	7,136	(2,011)
Other objects	-	-	5,488	(5,488)
<b>Total expenditures</b>	<b>165,847</b>	<b>169,147</b>	<b>174,847</b>	<b>(5,700)</b>
<b>Excess of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>847</b>	<b>\$ 847</b>
Fund balance, beginning of year			4	
Fund balance, end of year			\$ 851	

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
REGIONAL SAFE SCHOOLS – PROJECT #08-3696-00  
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State sources	\$ 130,077	\$ 129,487	\$ 289,064	\$ 159,577
Interest income	-	-	1,325	1,325
<b>Total revenues</b>	<u>130,077</u>	<u>129,487</u>	<u>290,389</u>	<u>160,902</u>
<b>Expenditures:</b>				
Salaries and benefits	120,582	120,552	208,273	(87,721)
Purchased services	5,719	5,900	7,954	(2,054)
Supplies and materials	3,776	3,035	2,865	170
<b>Total expenditures</b>	<u>130,077</u>	<u>129,487</u>	<u>219,092</u>	<u>(89,605)</u>
<b>Excess of revenues over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	71,297	<u>\$ 71,297</u>
<b>Fund balance, beginning of year</b>			<u>191,846</u>	
<b>Fund balance, end of year</b>			<u>\$ 263,143</u>	

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
EARLY CHILDHOOD BLOCK GRANT - ST. THOMAS – PROJECT #08-3705-80  
For the year ended June 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
State sources	\$ 60,000	\$ 60,000	\$ 60,000	\$ -
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
<b>Expenditures:</b>				
Salaries and benefits	26,486	26,486	24,735	1,751
Purchased services	8,378	8,378	8,174	204
Supplies and materials	20,636	20,636	22,791	(2,155)
Capital outlay	<u>4,500</u>	<u>4,500</u>	<u>4,300</u>	<u>200</u>
Total expenditures	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
EARLY CHILDHOOD BLOCK GRANT - PRESCHOOL FOR ALL – PROJECT #08-3705-70  
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State sources	<u>\$ 324,000</u>	<u>\$ 324,000</u>	<u>\$ 324,000</u>	<u>\$ -</u>
Total revenues	<u>324,000</u>	<u>324,000</u>	<u>324,000</u>	<u>-</u>
<b>Expenditures:</b>				
Salaries and benefits	172,949	158,090	158,736	(646)
Purchased services	107,023	109,661	110,648	(987)
Supplies and materials	44,028	47,249	46,497	752
Capital outlay	<u>-</u>	<u>9,000</u>	<u>8,119</u>	<u>881</u>
Total expenditures	<u>324,000</u>	<u>324,000</u>	<u>324,000</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2008**

	<u>General Education Development</u>	<u>School Bus Transportation</u>	<u>Supervisory</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,800	\$ -	\$ -
Due from other funds	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 4,800</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Deferred revenue	\$ -	\$ -	\$ -
<b>FUND BALANCE</b>			
Unreserved	<hr/> 4,800	<hr/> -	<hr/> -
Total liabilities and fund balance	<u>\$ 4,800</u>	<u>\$ -</u>	<u>\$ -</u>

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**COMBINING BALANCE SHEET (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2008**

	Institute	Regional Board of Trustees	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 79,302	\$ 818	\$ 84,920
Due from other funds	10,217	-	10,217
Total assets	<u>\$ 89,519</u>	<u>\$ 818</u>	<u>\$ 95,137</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Deferred revenue	\$ -	\$ 818	\$ 818
<b>FUND BALANCE</b>			
Unreserved	89,519	-	94,319
Total liabilities and fund balance	<u>\$ 89,519</u>	<u>\$ 818</u>	<u>\$ 95,137</u>

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
NONMAJOR SPECIAL REVENUE FUNDS  
For the year ended June 30, 2008**

	General Education Development	School Bus Transportation	Supervisory
<b>Revenues:</b>			
Local sources	\$ 7,201	\$ 1,312	\$ -
State sources	-	600	5,000
Interest income	231	6	-
<b>Total revenues</b>	<b>7,432</b>	<b>1,918</b>	<b>5,000</b>
<b>Expenditures:</b>			
Salaries and benefits	7,360	-	-
Purchased services	4,008	2,232	5,000
Supplies and materials	2,485	-	-
Capital outlay	1,000	-	-
Other objects	-	-	-
<b>Total expenditures</b>	<b>14,853</b>	<b>2,232</b>	<b>5,000</b>
Excess (deficiency) of revenues over (under) expenditures	(7,421)	(314)	-
<b>Other financing sources:</b>			
Transfers in	-	104	-
<b>Net change in fund balance</b>	<b>(7,421)</b>	<b>(210)</b>	<b>-</b>
Fund balance, beginning of year	12,221	210	-
<b>Fund balance, end of year</b>	<b>\$ 4,800</b>	<b>\$ -</b>	<b>\$ -</b>

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
For the year ended June 30, 2008**

	Institute	Regional Board of Trustees	Total
<b>Revenues:</b>			
Local sources	\$ 11,408	\$ 690	\$ 20,611
State sources	-	-	5,600
Interest income	1,403	-	1,640
<b>Total revenues</b>	<b>12,811</b>	<b>690</b>	<b>27,851</b>
<b>Expenditures:</b>			
Salaries and benefits	-	-	7,360
Purchased services	15,801	314	27,355
Supplies and materials	377	-	2,862
Capital outlay	-	-	1,000
Other objects	-	376	376
<b>Total expenditures</b>	<b>16,178</b>	<b>690</b>	<b>38,953</b>
Excess (deficiency) of revenues over (under) expenditures	(3,367)	-	(11,102)
<b>Other financing sources:</b>			
Transfers in	-	-	104
<b>Net change in fund balance</b>	<b>(3,367)</b>	<b>-</b>	<b>(10,998)</b>
Fund balance, beginning of year	92,886	-	105,317
Fund balance, end of year	<u>\$ 89,519</u>	<u>\$ -</u>	<u>\$ 94,319</u>

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
June 30, 2008**

	Distributive Fund	Speech Pathology Payroll Fund	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,880	\$ -	\$ 11,880
Due from other governments	2,460,167	-	2,460,167
 Total assets	 \$ 2,472,047	 \$ -	 \$ 2,472,047
 <b>LIABILITIES</b>			
Due to other governments	\$ 2,472,047	\$ -	\$ 2,472,047
 Total liabilities	 \$ 2,472,047	 \$ -	 \$ 2,472,047

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
For the year ended June 30, 2008**

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<b><u>DISTRIBUTIVE</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 61,168,155	\$ 61,156,275	\$ 11,880
Due from other governments	-	63,612,580	61,152,413	2,460,167
Total assets	<u>\$ -</u>	<u>\$ 124,780,735</u>	<u>\$ 122,308,688</u>	<u>\$ 2,472,047</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ 2,063,925	\$ 2,063,925	\$ -
Due to other governments	-	61,564,397	59,092,350	2,472,047
Total liabilities	<u>\$ -</u>	<u>\$ 63,628,322</u>	<u>\$ 61,156,275</u>	<u>\$ 2,472,047</u>
<b><u>SPEECH PATHOLOGY PAYROLL</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 117,153	\$ 117,153	\$ -
Total assets	<u>\$ -</u>	<u>\$ 117,153</u>	<u>\$ 117,153</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 117,153	\$ 117,153	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 117,153</u>	<u>\$ 117,153</u>	<u>\$ -</u>
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 61,285,308	\$ 61,273,428	\$ 11,880
Due from other governments	-	63,612,580	61,152,413	2,460,167
Total assets	<u>\$ -</u>	<u>\$ 124,897,888</u>	<u>\$ 122,425,841</u>	<u>\$ 2,472,047</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 117,153	\$ 117,153	\$ -
Due to other funds	-	2,063,925	2,063,925	-
Due to other governments	-	61,564,397	59,092,350	2,472,047
Total liabilities	<u>\$ -</u>	<u>\$ 63,745,475</u>	<u>\$ 61,273,428</u>	<u>\$ 2,472,047</u>

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT  
TREASURERS AND OTHER ENTITIES  
DISTRIBUTIVE FUND**

**For the year ended June 30, 2008**

	Clay City Community Unit #10	North Clay Community Unit #25	Flora Community Unit #35	Hutsonville Community Unit #1
General State Aid	\$ 1,447,848	\$ 2,925,925	\$ 5,700,758	\$ 1,438,723
General State Aid Hold Harmless/Supplemental	-	-	-	-
Special Ed - Private Facility Tuition	23,552	-	43,125	-
Special Ed - Extraordinary	37,993	73,354	153,350	42,738
Special Ed - Personnel	67,295	62,677	159,418	36,481
Special Ed - Orphanage - Individual	-	20,332	34,726	-
Special Ed - Summer School	-	-	2,430	-
Vocational Ed - Secondary Prog Improvement	-	-	-	-
Vocational Ed - Agriculture Education	-	-	-	-
Bilingual Education	-	-	-	-
State Free Lunch and Breakfast	2,398	3,959	10,871	3,330
School Breakfast Incentive	212	40	633	268
Driver Education	4,457	7,270	17,556	3,403
Transportation - Regular and Vocational	144,378	224,877	337,332	110,268
Transportation - Special Education	34,546	13,451	89,588	95,252
ROE School Bus Driver Training	-	-	-	-
Certificate Renewal Admin Payment-LPDCs	-	-	11,500	-
Truants Alternative/Optional Education	-	-	-	-
Regional Safe Schools	-	-	-	-
Early Childhood - Block Grant	107,855	149,005	389,193	121,048
Reading Improvement Block Grant	13,798	25,304	44,385	13,336
ROE/ISC Operations	-	-	-	-
Supervisory Expense	-	-	-	-
ADA Safety and Educational Block Grant	12,095	22,798	46,638	13,463
Technology for Success	-	-	-	-
Title VI - Formula	618	1,267	1,877	635
National School Lunch Program	55,616	87,459	226,678	63,936
Special Milk Program	663	1,171	3,317	-
School Breakfast Program	16,919	18,440	65,704	28,112
Summer Food Service Program	-	-	-	-
Title I - Low Income	98,149	170,349	241,001	97,961
Title IV - Safe and Drug Free Sch - Formula	1,822	3,399	4,734	1,895
Title IV - Safe and Drug Free - State Level Prog	-	-	-	-
Federal - Special Ed - IDEA - Room and Board	19,302	-	18,515	1,662
V.E. - Perkins - Title IIC - Secondary	-	-	-	-
Title II - Teacher Quality	20,757	64,255	61,486	25,614
Mathematics and Science Partnerships	-	-	-	-
Technology - Enhancing Education - Formula	1,042	1,799	2,339	927
Other Federal Programs	-	-	8,596	-
<b>TOTAL</b>	<b>\$ 2,111,315</b>	<b>\$ 3,877,131</b>	<b>\$ 7,675,750</b>	<b>\$ 2,099,052</b>

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT  
TREASURERS AND OTHER ENTITIES (Continued)  
DISTRIBUTIVE FUND**

**For the year ended June 30, 2008**

	Robinson Community Unit #2	Palestine Community Unit #3	Oblong Community Unit #4	Jasper County Community Unit #1
General State Aid	\$ 3,413,394	\$ 2,426,933	\$ 2,998,097	\$ 1,403,699
General State Aid Hold Harmless/Supplemental	-	-	-	984,817
Special Ed - Private Facility Tuition	17,897	-	907	76
Special Ed - Extraordinary	179,269	45,158	74,507	157,549
Special Ed - Personnel	152,522	42,901	75,897	159,126
Special Ed - Orphanage - Individual	-	-	-	4,322
Special Ed - Summer School	-	-	-	-
Vocational Ed - Secondary Prog Improvement	-	-	-	-
Vocational Ed - Agriculture Education	-	-	-	-
Bilingual Education	-	-	-	-
State Free Lunch and Breakfast	13,083	2,241	4,024	9,552
School Breakfast Incentive	394	445	1	306
Driver Education	24,672	4,485	11,290	21,695
Transportation - Regular and Vocational	382,436	95,923	196,095	562,246
Transportation - Special Education	91,492	44,553	110,647	226,892
ROE School Bus Driver Training	-	-	-	-
Certificate Renewal Admin Payment-LPDCs	6,604	-	-	-
Truants Alternative/Optional Education	-	-	-	-
Regional Safe Schools	-	-	-	-
Early Childhood - Block Grant	270,585	69,215	141,022	121,083
Reading Improvement Block Grant	54,985	16,846	22,208	46,846
ROE/ISC Operations	-	-	-	-
Supervisory Expense	-	-	-	-
ADA Safety and Educational Block Grant	55,705	14,351	24,058	48,769
Technology for Success	-	-	-	-
Title VI - Formula	850	712	18,858	3,374
National School Lunch Program	229,717	47,491	85,719	195,375
Special Milk Program	-	-	-	-
School Breakfast Program	99,061	14,192	23,413	68,823
Summer Food Service Program	-	-	-	-
Title I - Low Income	268,685	136,105	110,750	315,333
Title IV - Safe and Drug Free Sch - Formula	6,628	791	2,820	6,478
Title IV - Safe and Drug Free - State Level Prog	-	-	-	-
Federal - Special Ed - IDEA - Room and Board	4,849	-	93,496	129,880
V.E. - Perkins - Title IIC - Secondary	-	-	-	-
Title II - Teacher Quality	89,340	42,196	21,869	66,822
Mathematics and Science Partnerships	-	-	-	-
Technology - Enhancing Education - Formula	2,438	1,101	1,103	3,051
Other Federal Programs	39,820	-	-	-
<b>TOTAL</b>	<b>\$ 5,404,426</b>	<b>\$ 3,005,639</b>	<b>\$ 4,016,781</b>	<b>\$ 4,536,114</b>

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT  
TREASURERS AND OTHER ENTITIES (Continued)  
DISTRIBUTIVE FUND**

**For the year ended June 30, 2008**

	Red Hill Community Unit #10	Lawrence County Community Unit #20	East Richland Community Unit #1	West Richland Community Unit #2
General State Aid	\$ 4,871,530	\$ 5,720,286	\$ 6,779,788	\$ 1,746,146
General State Aid Hold Harmless/Supplemental	-	-	-	-
Special Ed - Private Facility Tuition	11,152	548	31,299	-
Special Ed - Extraordinary	109,298	136,473	225,635	49,002
Special Ed - Personnel	99,074	103,438	183,422	41,542
Special Ed - Orphanage - Individual	-	21,702	-	-
Special Ed - Summer School	2,488	-	188	-
Vocational Ed - Secondary Prog Improvement	-	-	-	-
Vocational Ed - Agriculture Education	-	-	-	-
Bilingual Education	-	1,425	-	-
State Free Lunch and Breakfast	6,684	8,844	16,003	2,205
School Breakfast Incentive	357	62	77	180
Driver Education	17,758	16,140	24,661	5,428
Transportation - Regular and Vocational	348,557	269,645	462,511	96,122
Transportation - Special Education	31,970	112,377	108,342	48,438
ROE School Bus Driver Training	-	-	-	-
Certificate Renewal Admin Payment-LPDCs	3,000	3,104	3,000	-
Truants Alternative/Optional Education	-	-	109,495	-
Regional Safe Schools	-	-	-	-
Early Childhood - Block Grant	258,059	187,708	305,405	102,183
Reading Improvement Block Grant	35,799	47,820	69,840	15,614
ROE/ISC Operations	-	-	-	-
Supervisory Expense	-	-	-	-
ADA Safety and Educational Block Grant	34,983	43,126	68,683	14,596
Technology for Success	-	-	-	-
Title VI - Formula	1,659	2,143	3,440	688
National School Lunch Program	164,521	172,799	310,807	50,581
Special Milk Program	2,463	-	-	-
School Breakfast Program	52,711	56,704	91,590	12,041
Summer Food Service Program	9,932	-	-	-
Title I - Low Income	241,425	390,484	382,963	90,908
Title IV - Safe and Drug Free Sch - Formula	5,001	7,608	9,318	1,873
Title IV - Safe and Drug Free - State Level Prog	-	-	-	-
Federal - Special Ed - IDEA - Room and Board	6,831	5,190	2,560	2,595
V.E. - Perkins - Title IIC - Secondary	-	-	-	-
Title II - Teacher Quality	69,848	75,422	136,406	26,163
Mathematics and Science Partnerships	-	-	269,478	-
Technology - Enhancing Education - Formula	-	3,540	4,830	965
Other Federal Programs	-	-	-	-
<b>TOTAL</b>	<b>\$ 6,385,100</b>	<b>\$ 7,386,588</b>	<b>\$ 9,599,741</b>	<b>\$ 2,307,270</b>

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT  
TREASURERS AND OTHER ENTITIES (Continued)  
DISTRIBUTIVE FUND**

**For the year ended June 30, 2008**

	Twin Rivers Regional Vocational System	Regional Office of Education #12	Clay-Jasper- Richland-N. Wayne Regional System	Total
General State Aid	\$ -	\$ 395,875	\$ -	\$ 41,269,002
General State Aid Hold Harmless/Supplemental	-	-	-	984,817
Special Ed - Private Facility Tuition	-	-	-	128,556
Special Ed - Extraordinary	-	-	-	1,284,326
Special Ed - Personnel	-	-	-	1,183,793
Special Ed - Orphanage - Individual	-	-	-	81,082
Special Ed - Summer School	-	-	-	5,106
Vocational Ed - Secondary Prog Improvement	208,312	-	299,054	507,366
Vocational Ed - Agriculture Education	10,138	-	28,826	38,964
Bilingual Education	-	-	-	1,425
State Free Lunch and Breakfast	-	-	-	83,194
School Breakfast Incentive	-	-	-	2,975
Driver Education	-	-	-	158,815
Transportation - Regular and Vocational	-	-	-	3,230,390
Transportation - Special Education	-	-	-	1,007,548
ROE School Bus Driver Training	-	600	-	600
Certificate Renewal Admin Payment-LPDCs	-	-	-	27,208
Truants Alternative/Optional Education	-	432,474	-	541,969
Regional Safe Schools	-	129,487	-	129,487
Early Childhood - Block Grant	-	617,639	-	2,840,000
Reading Improvement Block Grant	-	-	-	406,781
ROE/ISC Operations	-	75,623	-	75,623
Supervisory Expense	-	5,000	-	5,000
ADA Safety and Educational Block Grant	-	-	-	399,265
Technology for Success	-	159,997	-	159,997
Title VI - Formula	-	-	-	36,121
National School Lunch Program	-	-	-	1,690,699
Special Milk Program	-	-	-	7,614
School Breakfast Program	-	-	-	547,710
Summer Food Service Program	-	-	-	9,932
Title I - Low Income	-	-	-	2,544,113
Title IV - Safe and Drug Free Sch - Formula	-	-	-	52,367
Title IV - Safe and Drug Free - State Level Prog	-	207,417	-	207,417
Federal - Special Ed - IDEA - Room and Board	-	-	-	284,880
V.E. - Perkins - Title IIC - Secondary	66,752	-	74,361	141,113
Title II - Teacher Quality	-	-	-	700,178
Mathematics and Science Partnerships	-	-	-	269,478
Technology - Enhancing Education - Formula	-	-	-	23,135
Other Federal Programs	-	-	-	48,416
<b>TOTAL</b>	<b>\$ 285,202</b>	<b>\$ 2,024,112</b>	<b>\$ 402,241</b>	<b>\$ 61,116,462</b>

**FEDERAL FINANCIAL COMPLIANCE SECTION**

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended June 30, 2008**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Project # (1st 8 digits) or Contract #	Federal Expenditures 7/1/07 - 6/30/08
<b>U.S. Department of Education</b>			
<i>Passed through the Illinois State Board of Education</i>			
Title IV Safe & Drug Free - State Level Program	84.186A	07-4415-00	\$ 39,347
Title IV Safe & Drug Free - State Level Program	84.186A	08-4415-00	126,810
Total Illinois State Board of Education			<u>166,157</u>
 <i>Passed through the Illinois State Board of Education passed through ROE #21</i>			
McKinney Education for Homeless Children	84.196A	08-4920-00	24,181
Total ROE #21			<u>24,181</u>
 <i>Passed through the Illinois State Board of Education passed through ROE #11 passed through ROE #25</i>			
Standards Aligned Classroom	84.298A	08-4999-00	21,077
(m) Title I - Standards Aligned Classroom	84.010A	07-4331-00	1,203
Total ROE #25			<u>22,280</u>
 <i>Passed through the Illinois State Board of Education passed through ROE #2</i>			
System of Support (RESPRO)			
(m) Title I Grants to Local Education Agencies	84.010A	07-4331-SS	26,274
(m) Title I Grants to Local Education Agencies	84.010A	08-4331-SS	91,151
Total Title I			<u>117,425</u>
(m) Title II Improving Teacher Quality	84.367A	07-4935-SS	8,017
(m) Title II Improving Teacher Quality	84.367A	08-4935-SS	23,225
Total Title II			<u>31,242</u>
Total ROE #2			<u>148,667</u>
Total U.S. Department of Education			<u>\$ 361,285</u>

(m) - major program

The accompanying notes are an integral part of this schedule.

**CLAY, CRAWFORD, JASPER, LAWRENCE AND RICHLAND COUNTIES  
REGIONAL OFFICE OF EDUCATION #12**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended June 30, 2008**

**1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Regional Office of Education #12 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**2. SUBRECIPIENTS**

The note is not applicable to Regional Office of Education #12.

**3. DESCRIPTIONS OF MAJOR FEDERAL PROGRAMS**

Title I - Standards Aligned Classroom - To account for the federal grant monies received to support learning teams focused on alignment of classroom level assessment and instruction.

Title I Grants to Local Education Agencies - To improve the teaching and learning of children who are at risk of not meeting challenging academic standards and who reside in areas with high concentrations of children from low-income families.

Title II Improving Teacher Quality – To increase the academic achievement of all students by helping schools and school districts to: (1) improve teacher and principal quality (including hiring teachers to reduce class size) and (2) ensure that all teachers are highly qualified.

**4. NON-CASH ASSISTANCE**

The note is not applicable to Regional Office of Education #12.

**5. AMOUNT OF INSURANCE**

The note is not applicable to Regional Office of Education #12.

**6. LOANS OR LOAN GUARANTEES OUTSTANDING**

The note is not applicable to Regional Office of Education #12.