

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #53**

**FINANCIAL AUDIT
For the year ended June 30, 2009**

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

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

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REGIONAL OFFICE OF EDUCATION #53**

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**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

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**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

OFFICIALS

Regional Superintendent (current and during the audit period).....Mr. Robin G. Houchin

Assistant Regional Superintendent (current and during the audit period)Ms. Gail Owen

Office is located at:

Tazewell Building
414 Court Street, Suite 104
Pekin, IL 61555-0699

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

FINANCIAL REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

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

Additional matters which were less than significant deficiencies or material weaknesses but more than inconsequential, have been reported in the Management Letter of Comments to the Regional Superintendent. In prior years, these issues may have been included as immaterial findings in the auditors' report.

SUMMARY OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
09-01	11-12	Controls over financial statement preparation	Material Weakness
09-02	13	Restricted funds used for unauthorized purpose	Compliance
09-03	14	Expenditure report did not agree to the general ledger	Significant Deficiency; Compliance

FINDINGS (FEDERAL COMPLIANCE)

There were no findings for the year ended June 30, 2009.

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

FINANCIAL REPORT SUMMARY (Continued)

SUMMARY OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
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PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

There were no prior findings not repeated for the year ended June 30, 2009.

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

There were no prior findings.

EXIT CONFERENCE

An exit conference was held on September 3, 2009. Attending were Robin Houchin, Regional Superintendent of Schools, Gail Owen, Assistant Regional Superintendent of Schools, and Leigh Cottingham, CPA of West & Company, LLC.

Responses to recommendations were provided by Robin Houchin via email on March 10, 2010.

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of the Tazewell County Regional Office of Education #53 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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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, the business-type activities, each major fund, and the aggregate remaining fund information of the Tazewell County Regional Office of Education #53, as of and for the year ended June 30, 2009, which collectively comprise the Tazewell County Regional Office of Education #53's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Tazewell County Regional Office of Education #53's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tazewell County Regional Office of Education #53, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 15, 2010 on our consideration of the Tazewell County Regional Office of Education #53'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 21A-21F and 52 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 Tazewell County Regional Office of Education #53's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities 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

June 15, 2010

WEST & COMPANY, LLC

MEMBERS

E. LYNN FREESE
RICHARD C. WEST
KENNETH L. VOGT
BRIAN E. DANIELL
JANICE K. ROMACK
DIANA R. SMITH
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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, the business-type activities, each major fund, and the aggregate remaining fund information of the Tazewell County Regional Office of Education #53, as of and for the year ended June 30, 2009, which collectively comprise the Tazewell County Regional Office of Education #53's basic financial statements and have issued our report thereon dated June 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tazewell County Regional Office of Education #53'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 Tazewell County Regional Office of Education #53's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tazewell County Regional Office of Education #53's internal control over financial reporting.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in finding 09-03 in the accompanying Schedule of Findings to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tazewell County Regional Office of Education #53'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 as items 09-02 and 09-03.

We also noted certain matters which we have reported to management of the Tazewell County Regional Office of Education #53 in a separate letter dated June 15, 2010.

Tazewell County Regional Office of Education #53's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit Tazewell County Regional Office of Education #53's responses and, accordingly, we express no opinion on them.

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

West & Company, LLC

June 15, 2010

SCHEDULE OF FINDINGS

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**SCHEDULE OF FINDINGS
For the year ended June 30, 2009**

Section I -- Summary of Auditors' Results

Financial statements

Type of auditors' report issued:

UNQUALIFIED

Internal control over financial reporting:

- Material weakness(es) identified? X yes no

- Significant deficiency(ies) identified that are not considered to be material weakness(es)? X yes none reported

- Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? N/A yes no

- Significant deficiency(ies) identified that are not considered to be material weakness(es)? N/A yes none reported

Type of auditors' report issued on compliance for major programs:

N/A

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?

N/A yes no

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**SCHEDULE OF FINDINGS
For the year ended June 30, 2009**

Section I -- Summary of Auditors' Results (concluded)

Identification of major programs:

CFDA Number(s)

Name of federal program or cluster

This section is not applicable.

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

N/A

Auditee qualified as a low-risk auditee?

N/A

_____ yes

_____ no

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**SCHEDULE OF FINDINGS
For the year ended June 30, 2009**

Section II: Financial Statement Findings

FINDING NO. 09-01 – Controls Over Financial Statement Preparation (repeat of 07-01 and 08-01)

Criteria/Specific Requirement:

The Regional Office of Education #53 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Regional Office of Education #53 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation/review of the GAAP based financial statements sufficient for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, fixed assets, or deferred revenues.
- Numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.
- The Regional Superintendent did not review and approve all journal entries.
- Neither the Regional Superintendent nor the Assistant Regional Superintendent reviewed payroll prior to payment.

Effect:

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

Cause:

According to Regional Office officials, they did not have adequate funding to hire and/or train their accounting personnel in order to comply with these requirements. Additionally, the Regional Superintendent did not realize the need for supervisory review of the general journal entries.

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**SCHEDULE OF FINDINGS
For the year ended June 30, 2009**

Section II: Financial Statement Findings (Continued)

FINDING NO. 09-01 – Controls Over Financial Statement Preparation (repeat of 07-01 and 08-01)
(Continued)

Auditors' Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures; the Regional Office of Education #53 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations. Additionally, the Regional Superintendent should review and approve all journal entries along with supporting documentation prior to the entries being posted to the accounting records.

Management's Response:

The Regional Office of Education #53 understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Regional Office management is currently confident with the abilities of the accounting staff to prepare cash basis financial information as needed for reporting throughout the year. Management will review year end reporting controls annually and investigate the cost of training staff to reach an appropriate level of expertise to do a comprehensive preparation and/or review of financial statements. Management will pursue additional training when it is considered cost beneficial since training costs would take away from the funds available to provide educational services for the schools in the region.

The Regional Superintendent will review and approve all journal entries along with supporting documentation prior to the entries being posted to the account records.

As a result of this finding, either the Regional Superintendent or the Assistant Regional Superintendent now approves all payroll amounts prior to payment.

Note: An outside CPA reconciles the monthly bank statements with payroll checks included in this reconciliation. The CPA is aware that all employees are on a set contract each year and payroll checks should be issued for the same amount each payroll. If the CPA notices any discrepancy in the payroll, it would be brought to our attention.

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**SCHEDULE OF FINDINGS
For the year ended June 30, 2009**

Section II - Financial Statement Findings (Continued)

FINDING NO. 09-02 – Restricted Funds Used for Unauthorized Purpose

Criteria/Specific Requirement:

Grant monies can only be used for allowable grant expenditures as outlined in grant agreements.

Condition:

A review of the amounts due between funds showed a \$14,251 loan from the Regional System Provider/Federal System of Support (RESPRO) Fund to the General Fund. Loans are not one of the allowed uses of the RESPRO Fund.

Effect:

The Regional Office of Education #53 was not in compliance with the RESPRO grant agreement.

Cause:

Various funds share a pooled bank account. When expenditures for the General 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 General Fund's money for the payments. This created a loan from other funds that had cash in that account. The only fund with sufficient cash to pay such expenditures was the RESPRO Fund.

Auditors' Recommendation:

The Regional Office of Education #53 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 the RESPRO Fund only for purposes as allowed by the grant agreement.

Management's Response:

The Regional Office of Education #53 will closely monitor payments from pooled cash accounts to be sure that the particular fund paying expenditures has sufficient funds to cover the payments and will use the RESPRO Fund only for purposes as allowed by the grant agreement.

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**SCHEDULE OF FINDINGS
For the year ended June 30, 2009**

Section II - Financial Statement Findings (Continued)

FINDING NO. 09-03 – Expenditure Report Did Not Agree to the General Ledger

Criteria/Specific Requirement:

Expenditure reports submitted to the Illinois State Board of Education should agree with the expenditures on the Regional Office of Education #53's general ledger.

Condition:

The expenditure report submitted to the Illinois State Board of Education for the ROE/ISC Operations did not agree with the Regional Office's books by \$5,698, resulting in an inaccurate expenditure report.

Effect:

An inaccurate expenditure report was submitted, which could lead to the granting agency requesting reimbursements or adjusting the fiscal year 2010 grant amount.

Cause:

The general ledger used to prepare the report had not been adjusted for a transfer of salaries to another fund.

Auditors' Recommendation:

The Regional Office of Education #53 personnel responsible for the reports should compare their total expenditures to their general ledger accounts and make necessary corrections before filing the reports.

Management's Response:

The Regional Office of Education #53 personnel responsible for the reports will closely compare their total expenditures to their general ledger accounts and make necessary corrections before filing the reports.

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**SCHEDULE OF FINDINGS
For the year ended June 30, 2009**

Section III -- Federal Award Findings

No findings were noted for the year ended June 30, 2009.

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**SCHEDULE OF FINDINGS
For the year ended June 30, 2009**

Corrective Action Plan

Finding No.: 09-01 - Controls Over Financial Statement Preparation (repeat of 07-01 and 08-01)

Condition:

The Regional Office of Education #53 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation/review of the GAAP based financial statements sufficient for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, fixed assets, or deferred revenues.
- Numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.
- The Regional Superintendent did not review and approve all journal entries.
- Neither the Regional Superintendent nor the Assistant Regional Superintendent reviewed payroll prior to payment.

Plan:

The Regional Office of Education #53 understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Regional Office management is currently confident with the abilities of the accounting staff to prepare cash basis financial information as needed for reporting throughout the year. Management will review year end reporting controls annually and investigate the cost of training staff to reach an appropriate level of expertise to do a comprehensive preparation and/or review of financial statements. Management will pursue additional training when it is considered cost beneficial since training costs would take away from the funds available to provide educational services for the schools in the region.

The Regional Superintendent will review and approve all journal entries along with supporting documentation prior to the entries being posted to the account records.

As a result of this finding, either the Regional Superintendent or the Assistant Regional Superintendent now approves all payroll amounts prior to payment.

Note: An outside CPA reconciles the monthly bank statements with payroll checks included in this reconciliation. The CPA is aware that all employees are on a set contract each year and payroll checks should be issued for the same amount each payroll. If the CPA notices any discrepancy in the payroll, it would be brought to our attention.

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**SCHEDULE OF FINDINGS
For the year ended June 30, 2009**

Corrective Action Plan

**Finding No.: 09-01 - Controls Over Financial Statement Preparation (repeat of 07-01 and 08-01)
(Continued)**

Anticipated Date of Completion:

March 10, 2010

Name of Contact Person:

Robin Houchin, Regional Superintendent

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**SCHEDULE OF FINDINGS
For the year ended June 30, 2009**

Corrective Action Plan (Continued)

Finding No.: 09-02 - Restricted Funds Used for Unauthorized Purpose

Condition:

A review of the amounts due between funds showed a \$14,251 loan from the Regional System Provider/Federal System of Support (RESPRO) Fund to the General Fund. Loans are not one of the allowed uses of the RESPRO Fund.

Plan:

The Regional Office of Education #53 will closely monitor payments from pooled cash accounts to be sure that the particular fund paying expenditures has sufficient funds to cover the payments and will use the RESPRO Fund only for purposes as allowed by the grant agreement.

Anticipated Date of Completion:

March 10, 2010

Name of Contact Person:

Robin Houchin, Regional Superintendent

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**SCHEDULE OF FINDINGS
For the year ended June 30, 2009**

Corrective Action Plan (Continued)

Finding No.: 09-03 - Expenditure Report Did Not Agree to the General Ledger

Condition:

The expenditure report submitted to the Illinois State Board of Education for the ROE/ISC Operations did not agree with the Regional Office's books by \$5,698, resulting in an inaccurate expenditure report.

Plan:

The Regional Office of Education #53 personnel responsible for the reports will closely compare their total expenditures to their general ledger accounts and make necessary corrections before filing the reports.

Anticipated Date of Completion:

March 10, 2010

Name of Contact Person:

Robin Houchin, Regional Superintendent

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2009**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
08-01	Controls over financial statement preparation	Repeated as finding 09-01

MANAGEMENT'S DISCUSSION AND ANALYSIS

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2009**

The Regional Office of Education #53 for Tazewell County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2009. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements, which follow.

2009 Financial Highlights

- Within the Governmental Funds, the General Fund revenues decreased by \$32,533 from \$579,158 in fiscal year 2008 to \$546,625 in fiscal year 2009. General Fund expenditures decreased by \$23,543 from \$572,394 in FY08 to \$548,851 in FY09.
- Within the Governmental Funds, the Special Revenue Fund revenue increased by \$98,556 from \$818,254 in FY08 to \$916,810 in 2009. The Special Revenue Fund expenditures increased by \$95,137 from \$815,443 in FY08 to \$910,580 in FY09.

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 detailed 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 #53 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 actions by officials at the state level need to be considered.

The Government-wide financial statements present the Office's activities as governmental and business-type activities. Local, state and federal funding 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 which 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 #53 established other funds to control and manage money for particular purposes.

The Office has three kinds of funds:

- 1) Governmental funds account for all of the Office's services. These focus on how cash and other assets that can readily be converted to cash, flow in and out as well as 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 #53 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 and Statement of Changes in Fiduciary Net Assets.

- 3) Proprietary funds are used to account for revenues earned and expenses incurred for goods and services provided to school districts in the county. The proprietary funds' required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Fund Net Assets, and a Statement of Cash Flows.

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

Office-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 \$409,084. At the end of FY09, the net assets were \$426,802, an increase of \$17,718. The analysis that follows provides a summary of the Office's net assets at June 30, 2009, for the governmental and business-type activities.

STATEMENT OF NET ASSETS

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Current assets	\$ 444,773	\$ 350,117	\$ 312,224	\$ 282,745	\$ 756,997	\$ 632,862
Capital assets, net	24,335	38,679	18	133	24,353	38,812
Total assets	469,108	388,796	312,242	282,878	781,350	671,674
Current liabilities	352,403	261,364	2,145	839	354,548	262,203
Noncurrent liabilities	-	387	-	-	-	387
Total liabilities	352,403	261,751	2,145	839	354,548	262,590
Net Assets:						
Invested in capital assets	23,948	38,292	18	133	23,966	38,425
Restricted for teacher professional development	48,749	48,561	-	-	48,749	48,561
Unrestricted	44,008	40,192	310,079	281,906	354,087	322,098
Total net assets	\$ 116,705	\$ 127,045	\$ 310,097	\$ 282,039	\$ 426,802	\$ 409,084

The Regional Office of Education's net assets increased from FY08 by \$17,718. The increase occurred primarily in the business-type activities as a result of investments increasing by over \$9,663, and in the governmental activities as a result of funds due from other governmental units increasing substantially. Net assets related to the Institute Fund are considered restricted for teacher professional development.

The following analysis shows the changes in net assets for the years ended June 30, 2009 and 2008.

CHANGES IN NET ASSETS

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Operating grants and contributions	\$1,092,059	\$ 985,711	\$ -	\$ -	\$ 1,092,059	\$ 985,711
Charges for services		-	43,386	40,210	43,386	40,210
General revenues:						
Local sources	39,472	40,040	-	-	39,472	40,040
State sources	-	1,600	-	-	-	1,600
On-behalf payments - Local	91,173	108,707	-	-	91,173	108,707
On-behalf payments - State	237,452	249,582	-	-	237,452	249,582
Miscellaneous income	-	-	1,464	-	1,464	-
Interest	3,279	5,008	9,663	9,173	12,942	14,181
TOTAL REVENUES	1,463,435	1,390,648	54,513	49,383	1,517,948	1,440,031
Expenses						
Instructional Services:						
Salaries and benefits	239,884	225,861	-	-	239,884	225,861
Purchased services	110,149	118,413	-	-	110,149	118,413
Supplies and materials	13,699	24,311	-	-	13,699	24,311
Payments to other governments	751,270	627,066	-	-	751,270	627,066
Other objects	15,804	13,145	-	-	15,804	13,145
Depreciation	14,344	15,309	-	-	14,344	15,309
Administrative						
On-behalf payments-Local	91,173	108,707	-	-	91,173	108,707
On-behalf payments-State	237,452	249,582	-	-	237,452	249,582
Business type expenses		-	26,455	20,496	26,455	20,496
TOTAL EXPENSES	1,473,775	1,382,394	26,455	20,496	1,500,230	1,402,890
Changes in Net Assets	(10,340)	8,254	28,058	28,887	17,718	37,141
Net Assets-beginning	127,045	118,791	282,039	253,152	409,084	371,943
Net Assets-ending	<u>\$ 116,705</u>	<u>\$ 127,045</u>	<u>\$ 310,097</u>	<u>\$ 282,039</u>	<u>\$ 426,802</u>	<u>\$ 409,084</u>

Governmental Activities

For FY09, revenues for governmental activities were \$1,463,435 which is \$72,787 more than FY08 amounts, a result of increased operating grant funds. Expenses were \$1,473,775 in FY09 which is \$91,381 more than FY08 amounts. The Regional Office of Education #53 determined some of the increase in revenue resulted from a principal mentoring grant and American Recovery and Reinvestment Act (ARRA) funds. The increase in expenses was due to increased employee salaries and payments to other governmental units.

Financial Analysis of the Regional Office of Education #53 Funds

As previously noted, the Regional Office of Education #53 uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The Agency's Governmental Funds reported combined fund balances of \$92,757, \$4,004 more than FY08.

Governmental Fund Highlights

- County support for the Regional Office of Education for FY09 personnel decreased by \$18,757 as a result of fewer full-time employees and corresponding benefits.
- There was a decrease in the funding from the State for the General Fund by approximately \$10,000.
- The Education Fund revenue increased by \$98,834 due to ARRA funds received on behalf of the safe school and alternative school. State funding for the same programs decreased by \$2,791 due to state funding being replaced by ARRA money.
- There was a decrease in Institute Fund revenue of \$2,772 as a result of fewer teachers being due for certificate renewal this past year.

Budgetary Highlights

The Regional Office of Education #53 annually adopts budgets for several funds, but does not adopt a formal budget for all governmental funds, nor are they legally required to do so. These budgets serve as guidelines for activities and expenditures. Funds for which budgets are prepared are Regional Safe Schools and ROE/ISC Operations. All grant budgets are prepared by the Regional Office of Education #53 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Schedules showing the grant budget amounts compared to the Office's actual grant activity are included in other supplementary information in this report. The Regional Superintendent also prepares an annual budget for expenditures to be paid on the Office's behalf by Tazewell County and submits it to the County Board for their approval. This budget covers the fiscal year which runs from December 1 to November 30.

Capital Assets

Capital Assets of the Regional Office of Education #53 include office equipment, computers, audio-visual equipment and office furniture. The Regional Office of Education #53 maintains an inventory of capital assets, which have been accumulated over time. The \$14,459 net decrease for FY09 came as a result of depreciation of current assets. The Regional Office of Education #53 has adopted a depreciation schedule, which reflects the level of Governmental Activities Net Capital Assets and Business-type Activities Net Capital Assets.

Proprietary Fund Highlights

- The Fingerprinting Fund revenue continues to increase due to the number of non-educational personnel that come to the office for printing. However, net assets increased by only \$174.
- The change in net assets in the Local Fund assets increased by \$3,173 as a result of a decrease in purchased services.

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 is scheduled to increase to \$6,119 during the 2010-2011 school year. This will have a positive effect on the funding for the Safe School Program.
- The interest rate on investments will decrease as a result of lower interest rates on investments.
- General Operating Grant will decrease by 23%, having a significant effect on operations.
- The county board support will decrease by 1% for FY10.
- The Regional Office of Education will not receive state grant money in a timely manner again in the upcoming year.

Contacting the Regional Office's Financial Management

This financial report is designed to provide the Regional Office's 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 #53 at 414 Court St., Pekin, IL 61554. Ph. 309-447-2290.

BASIC FINANCIAL STATEMENTS

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**STATEMENT OF NET ASSETS
June 30, 2009**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash	\$ 200,347	\$ 9,465	\$ 209,812
Investments	128,757	276,570	405,327
Accounts receivable	1,577	605	2,182
Due from other governments	139,632	44	139,676
Internal balances	(25,540)	25,540	-
Total current assets	444,773	312,224	756,997
Noncurrent assets:			
Capital assets, net	24,335	18	24,353
Total assets	469,108	312,242	781,350
LIABILITIES			
Current liabilities:			
Accounts payable	5,958	2,145	8,103
Accrued salaries and benefits	12,417	-	12,417
Due to other governments	127,224	-	127,224
Deferred revenue	206,417	-	206,417
Capital lease payable	387	-	387
Total current liabilities	352,403	2,145	354,548
NET ASSETS			
Invested in capital assets, net of related debt	23,948	18	23,966
Restricted for teacher professional development	48,749	-	48,749
Unrestricted	44,008	310,079	354,087
Total net assets	\$ 116,705	\$ 310,097	\$ 426,802

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

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**STATEMENT OF ACTIVITIES
For the year ended June 30, 2009**

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Governmental activities:						
Instructional services:						
Salaries and benefits	\$ 239,884	\$ -	\$ 238,436	\$ (1,448)	\$ -	\$ (1,448)
Purchased services	110,149	-	85,376	(24,773)	-	(24,773)
Supplies and materials	13,699	-	10,136	(3,563)	-	(3,563)
Payments to other governments	751,270	-	751,270	-	-	-
Other objects	15,804	-	6,841	(8,963)	-	(8,963)
Depreciation	14,344	-	-	(14,344)	-	(14,344)
Administrative:						
On-behalf payments - Local	91,173	-	-	(91,173)	-	(91,173)
On-behalf payments - State	237,452	-	-	(237,452)	-	(237,452)
Total governmental activities	<u>1,473,775</u>	<u>-</u>	<u>1,092,059</u>	<u>(381,716)</u>	<u>-</u>	<u>(381,716)</u>
Business-type activities:						
Other	26,455	43,386	-	-	16,931	16,931
Total primary government	<u>\$ 1,500,230</u>	<u>\$ 43,386</u>	<u>\$ 1,092,059</u>	<u>(381,716)</u>	<u>16,931</u>	<u>(364,785)</u>
General revenues:						
Local sources				39,472	-	39,472
On-behalf payments - Local				91,173	-	91,173
On-behalf payments - State				237,452	-	237,452
Miscellaneous income				-	1,464	1,464
Interest				3,279	9,663	12,942
Total general revenues				<u>371,376</u>	<u>11,127</u>	<u>382,503</u>
Changes in net assets				(10,340)	28,058	17,718
Net assets - beginning				<u>127,045</u>	<u>282,039</u>	<u>409,084</u>
Net assets - ending				<u>\$ 116,705</u>	<u>\$ 310,097</u>	<u>\$ 426,802</u>

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

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009**

	General Fund	Education Fund	Institute Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash	\$ -	\$ 145,955	\$ 33,755	\$ 20,637	\$ 200,347
Investments	-	-	65,370	63,387	128,757
Accounts Receivable	-	-	1,577	-	1,577
Due from other funds	-	14,251	-	-	14,251
Due from other governments	54,921	84,676	-	35	139,632
Total assets	\$ 54,921	\$ 244,882	\$ 100,702	\$ 84,059	\$ 484,564
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 2,641	\$ 2,664	\$ 23	\$ 630	\$ 5,958
Accrued salaries and benefits	9,017	3,400	-	-	12,417
Due to other funds	39,791	-	-	-	39,791
Due to other governments	5,698	111,841	9,685	-	127,224
Deferred revenue	-	126,277	42,245	37,895	206,417
Total liabilities	57,147	244,182	51,953	38,525	391,807
FUND BALANCES					
Unreserved, reported in:					
General fund	(2,226)	-	-	-	(2,226)
Special revenue funds	-	700	48,749	45,534	94,983
Total fund balances	(2,226)	700	48,749	45,534	92,757
Total liabilities and fund balances	\$ 54,921	\$ 244,882	\$ 100,702	\$ 84,059	\$ 484,564

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

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS**

June 30, 2009

Total fund balances-governmental funds	\$ 92,757
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.	24,335
Capital lease payable is not due and payable and, therefore, is not reported in the funds.	<u>(387)</u>
Net assets of governmental activities	<u><u>\$ 116,705</u></u>

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

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2009**

	General Fund	Education Fund	Institute Fund	Other Nonmajor Funds	Total Governmental Funds
Revenues:					
Local sources	\$ -	\$ -	\$ 25,161	\$ 14,311	\$ 39,472
State sources	219,223	682,978	-	3,619	905,820
Federal sources	-	186,239	-	-	186,239
Interest	-	-	1,757	1,522	3,279
On-behalf payments	327,402	1,223	-	-	328,625
Total revenues	546,625	870,440	26,918	19,452	1,463,435
Expenditures:					
Instructional services:					
Salaries and benefits	169,444	70,440	-	-	239,884
Purchased services	38,358	44,366	18,278	9,147	110,149
Supplies and materials	7,166	2,441	504	3,588	13,699
Payments to other governments	-	751,270	-	-	751,270
Other objects	6,481	-	7,948	1,375	15,804
On-behalf payments	327,402	1,223	-	-	328,625
Total expenditures	548,851	869,740	26,730	14,110	1,459,431
Excess (deficiency) of revenues over (under) expenditures	(2,226)	700	188	5,342	4,004
Fund balances, beginning of year	-	-	48,561	40,192	88,753
Fund balances (deficits), end of year	<u>\$ (2,226)</u>	<u>\$ 700</u>	<u>\$ 48,749</u>	<u>\$ 45,534</u>	<u>\$ 92,757</u>

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

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**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, 2009**

Net changes in fund balances - governmental funds \$ 4,004

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.

Depreciation expense (14,344)

Changes in net assets of governmental activities \$ (10,340)

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

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2009**

	<u>Local Fund</u>	<u>Fingerprinting Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash	\$ -	\$ 9,465	\$ 9,465
Investments	276,570	-	276,570
Accounts receivable	581	24	605
Due from other funds	25,540	-	25,540
Due from other governments	-	44	44
	<u>302,691</u>	<u>9,533</u>	<u>312,224</u>
Total current assets			
Noncurrent assets:			
Capital assets, net	<u>18</u>	<u>-</u>	<u>18</u>
	<u>302,709</u>	<u>9,533</u>	<u>312,242</u>
Total assets			
LIABILITIES			
Accounts payable	<u>1,170</u>	<u>975</u>	<u>2,145</u>
NET ASSETS			
Invested in capital assets	18	-	18
Unrestricted	<u>301,521</u>	<u>8,558</u>	<u>310,079</u>
	<u>\$ 301,539</u>	<u>\$ 8,558</u>	<u>\$ 310,097</u>
Total net assets			

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

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the year ended June 30, 2009**

	Local Fund	Fingerprinting Fund	Total
Operating revenues:			
Charges for services	\$ 23,722	\$ 19,664	\$ 43,386
Miscellaneous income	1,000	464	1,464
Total operating revenues	24,722	20,128	44,850
Operating expenses:			
Purchased services	5,356	19,954	25,310
Supplies and materials	1,030	-	1,030
Depreciation	115	-	115
Total operating expenses	6,501	19,954	26,455
Operating income	18,221	174	18,395
Nonoperating revenues:			
Investment income	9,663	-	9,663
Change in net assets	27,884	174	28,058
Total net assets - beginning	273,655	8,384	282,039
Total net assets - ending	\$ 301,539	\$ 8,558	\$ 310,097

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

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the year ended June 30, 2009

	Local Fund	Fingerprinting Fund	Total
Cash flows from operating activities:			
Receipts from customers	\$ 24,141	\$ 20,060	\$ 44,201
Payments to suppliers and providers of goods and services	(5,216)	(19,818)	(25,034)
Net cash provided by operating activities	18,925	242	19,167
Cash flows from noncapital financing activities:			
Loans to other funds	(25,540)	-	(25,540)
Repayments of loans from other funds	15	-	15
Net cash used for noncapital financing activities	(25,525)	-	(25,525)
Net increase (decrease) in cash	(6,600)	242	(6,358)
Cash - beginning	6,600	9,223	15,823
Cash - ending	\$ -	\$ 9,465	\$ 9,465
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 18,221	\$ 174	\$ 18,395
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	115	-	115
Increase in accounts receivable	(581)	(24)	(605)
Increase in due from other governments	-	(44)	(44)
Increase in accounts payable	1,170	136	1,306
Net cash provided by operating activities	\$ 18,925	\$ 242	\$ 19,167

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

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS**

June 30, 2009

	Private-Purpose Trust Fund	Agency Funds
ASSETS		
Cash	\$ -	\$ 3,983
Investments	33,721	7,402
	\$ 33,721	\$ 11,385
LIABILITIES		
Due to other governments	\$ -	\$ 10,385
Due to others	-	1,000
	-	\$ 11,385
NET ASSETS		
Held in trust for other purposes	\$ 33,721	

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

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the year ended June 30, 2009**

	<u>Private-Purpose Trust Fund</u>
ADDITIONS	
Investment earnings:	
Interest	<u>\$ 1,058</u>
Change in net assets	1,058
Net assets - beginning	<u>32,663</u>
Net assets - ending	<u><u>\$ 33,721</u></u>

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

NOTES TO FINANCIAL STATEMENTS

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #53's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental units of this type. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial reporting principles. The Regional Office of Education #53 also applies Financial Accounting Standards Board (FASB) Statements and interpretations issued on or before November 30, 1989 to its governmental and business-type activity funds, provided they do not conflict with or contradict GASB pronouncements.

A. Reporting Entity

The Tazewell County Regional Office of Education #53 was created by Illinois Public Act 76-735, as amended, effective August 8, 1995. The region encompasses Tazewell county.

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 ensuring of the safety, health and welfare of the students in the region by periodically inspecting the school buildings and ensuring that the bus drivers have valid driving licenses and are properly trained to operate the school buses. Further, the 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 #53 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 #53 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Regional Office of Education #53's geographic responsibility, including joint agreements which serve pupils from numerous school districts, should be included within its financial entity. The criteria include but are not limited to, whether the Regional Office of Education #53 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The Mid-Illini Educational Cooperative, which began operations on August 8, 1995, has been determined to be a component unit of the Regional Office of Education #53 for financial reporting purposes after applying the criteria of oversight, scope of public services, and special financing relationships and is therefore blended in the accompanying financial statements. The cooperative was formed by an intergovernmental agreement between Tazewell County Regional Office of Education #53, the administrative agent, Logan-Mason-Menard Counties Regional Office of Education #38, and the Fulton-Schuyler Counties Regional Office of Education #22. The cooperative exists to provide training, staff development and educational programs to school districts and other educational organizations within the counties involved. Separate financial statements are not issued for this component unit.

No other agencies have met the component unit criteria to be included in the Regional Office of Education #53's financial statements. In addition, the Regional Office of Education #53 is not aware of any entity that would exercise such oversight as to result in the Regional Office of Education #53 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. *Governmental activities*, which normally are supported by intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Net Assets includes all of the Regional Office of Education #53'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 funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53

NOTES TO THE FINANCIAL STATEMENTS

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

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*, as are the proprietary fund and fiduciary fund financial statements. 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 #53's policy to first apply restricted resources when an expenditure or expense is incurred for which restricted and unrestricted resources are available.

The Regional Office of Education #53 reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Regional Office of Education #53. The fund accounts for the Regional Office of Education #53 ROE/ISC Operations grant which provides funding for general and administrative expenditures. The General Fund also accounts for the Regional Office of Education #53's on-behalf payments.

Education Fund – This Special Revenue Fund accounts for grant funds administered by the Regional Office of Education #53. Revenue is provided by federal and State of Illinois grant funds. Included in this fund are:

McKinney Education for Homeless Children - To provide services to all homeless children and youths through a designated Homeless Liaison.

School & Community Assistance Team - A program that trains individuals for crisis management.

Standards Aligned Classroom - To provide funds to prepare and administer workshops for teachers.

National Board for Professional Teaching Standards - To provide funds to help certify and train teachers for the advancement in quality of teaching and learning.

TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Education Fund (Continued)

Regional Safe Schools - To account for funds transferred to Illinois Central College, the administrative agent, to run this program.

ARRA General State Aid - American Recovery and Reinvestment Act (ARRA) funds are transferred to Illinois Central College, the administrative agent, to run the Regional Safe Schools and Alternative School programs.

Alternative School Program -To account for funds transferred to Illinois Central College, the administrative agent, to run this program.

Illinois New Principal Mentoring - To provide funds to support mentoring of new principals.

Regional System Provider/Federal System of Support - To provide funds to supply a regionalized system of support to assist schools in academic difficulty.

Various Discontinued Programs - Various programs that have been discontinued by the Illinois State Board of Education (ISBE) in prior years. The Regional Office has remaining cash balances due to ISBE for the following discontinued programs: Title I Reading First, ROE/ISC Technology, Scientific Literacy Programs, Title II Leadership, Title I School Improvement, and Scientific Literacy (CLICK). The Regional Office has contacted ISBE regarding the remaining cash balances and continues to present the balances as due to ISBE.

Institute Fund – This Special Revenue Fund accounts for the Regional Office of Education #53’s stewardship of the assets held in trust for the benefit of the Regional Office of Education #53’s teachers. Fees are collected from registration of teachers’ certificates of qualification. Monies are expended to conduct teachers’ institutes, conferences, and workshops.

The Regional Office of Education #53 reports the following nonmajor governmental funds:

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. Included among these funds are:

General Education Development (GED) - To account for the Regional Office of Education #53’s administration of the GED Testing Program. Monies are received from testing and diploma fees.

Bus Driver Fund - To account for the Regional Office of Education #53’s stewardship of the assets held in trust in connection with the Bus Driver Training Program.

TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Special Revenue Funds (Continued)

Supervisory - To account for monies received from the State of Illinois for expenditures incurred providing supervisory services in the county.

Media Cooperative Fund - To account for maintenance of the cooperative media materials library for the benefit of the Regional Office of Education #53's various school districts.

Teacher Leadership Academy - To account for fees from local school districts to assist Mid-Illini Educational Cooperative with costs of providing training to educators.

The Regional Office of Education #53 reports the following major proprietary funds:

Enterprise Funds - Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes. Included among these funds are:

Local Fund - To account for revenues earned and expenses incurred in connection with conducting educational workshops.

Fingerprinting Fund - To account for revenues earned and expenses incurred in connection with the fingerprinting of teachers and others.

The Regional Office of Education #53 reports the following agency funds:

Fiduciary Funds - Fiduciary Funds are used to account for assets held by the Regional Office of Education #53 in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Fiduciary Funds include a Private Purpose Trust Fund and three Agency Funds. The Regional Office of Education #53 maintains the following fiduciary funds:

Private-Purpose Trust Fund - The Ogle Fund was established to provide periodic interest distributions to designated school districts.

Distributive Fund - An Agency Fund that accounts for pass-through State aid and other monies from the Regional Office of Education #53 to various entities within the region. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53

NOTES TO THE FINANCIAL STATEMENTS

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

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

Fiduciary Funds (Continued)

Interest on Distributions to Other Governmental Units - The schools within the Regional Office of Education #53's geographic responsibility have signed formal agreements which allow the Regional Office of Education #53 to retain any interest earned during the year.

Detachment Fund - An Agency Fund that accounts for the receipt and disbursement of monies from petitioners to cover the cost of detachment hearings. Receipts not expended are returned to the petitioner.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Tazewell County Regional Office of Education #53's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services and administrative expenses.

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

1. **Cash and Investments**

The Regional Office of Education #53 considers cash on hand, checking accounts, savings accounts, money market accounts, and investments held with an original maturity date of less than three months to be cash and cash equivalents.

State regulations require that Regional Office of Education #53 deposit funds under its control into accounts insured by the federal government, accounts secured by substantial collateral, or pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

Statutes authorize the Regional Office of Education #53 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.

TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

2. Capital Assets

Capital assets are reported in the applicable governmental and business-type columns in the government-wide financial statements. Capital assets, such as equipment, are defined by the government as assets with an initial, individual cost of more than \$500. 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>
Equipment	5-7

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

3. Equity Classifications

Government-wide Statements

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

Invested in capital assets, net of related debt - Consists of capital assets, net of accumulated depreciation, less outstanding principal of related debt.

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, net of related debt."

Fund Statements

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

TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53

NOTES TO THE FINANCIAL STATEMENTS

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

E. **Intergovernmental Agreements**

On July 1, 2003, the Regional Office of Education #53 entered into an Intergovernmental Agreement executed pursuant to the provisions of the Intergovernmental Cooperation Clause of the Illinois Constitution as well as the provisions of the Intergovernmental Cooperation Act of 1973 and the Illinois Admin. Code 525.110.

The name of the Educational Service delivery system formed is known as the Mid-Illini Educational Cooperative. The Tazewell County Regional Office of Education #53 was designated as the Administrative Agent and as Director.

F. **New Accounting Pronouncement**

The Regional Office of Education #53 has implemented GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, effective for the fiscal year beginning July 1, 2008. The Regional Office of Education #53 has also implemented GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, effective for fiscal year beginning July 1, 2008. These Statements had no effect on the Regional Office of Education #53's net assets or changes in net assets.

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

A. **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 a reconciliation between *net changes in fund balances - 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 detail of this \$14,344 difference is as follows:

Depreciation expense	<u>\$ (14,344)</u>
Net adjustment to decrease net changes in fund balances - governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (14,344)</u>

3. **BUDGETS AND BUDGETARY ACCOUNTING**

The Regional Office of Education #53 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

NOTES TO THE FINANCIAL STATEMENTS

3. BUDGETS AND BUDGETARY ACCOUNTING (Continued)

Budgets relating to programs funded by grants from the Illinois State Board of Education are prepared and submitted to the State Board for approval as part of the grant awards process. The State Board must also approve amendments to these budgets. Grant projects budgets are based on the award period. Budgetary Comparison Schedules have been presented for the following grants: ROE/ISC Operations and Regional Safe Schools.

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.

5. INTEREST ON DISTRIBUTIVE FUND ACCOUNTS

Interest on Distributive Fund receipts is retained by the Regional Office of Education #53.

6. DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2009, the carrying amounts of the Regional Office of Education #53's deposits for the governmental activities, business-type activities, and fiduciary funds were \$313,735, \$286,035, and \$37,704, respectively. The bank balances for the governmental and business-type activities and the fiduciary funds totaled \$570,428. All bank balances were secured by federal depository insurance.

B. Investments

The Regional Office of Education #53's investments consist of certificates of deposit with original maturity dates of three months or more and funds in the Illinois Funds Money Market Fund. Certificates of deposit comprise \$423,679 of the \$446,450 shown as investments for the governmental and business-type activities and fiduciary funds. The certificates of deposit are considered deposits and, as such, are included in the previous "Deposits" section.

The governmental activities and fiduciary fund investments also include investments in the Illinois Funds Money Market Fund account. At June 30, 2009, the balances were \$15,369 and \$7,402, respectively. This fund enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. Although not subject to direct regulatory oversight, the investment pool is administered by the Illinois State Treasurer in accordance with provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. The investment policy of the Illinois Funds states that, unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity. The policy also limits investment categories to 25% of the portfolio, with the exception of cash equivalents and U.S. Treasury securities, unless specifically authorized by the Treasurer. Further, certificates of deposit cannot exceed 10% of any single financial institution's total deposits. The Illinois Funds received Standard & Poor's highest rating.

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

NOTES TO THE FINANCIAL STATEMENTS

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets being depreciated:				
Equipment	\$375,718	\$ -	\$ -	\$375,718
Less accumulated depreciation for:				
Equipment	<u>(337,039)</u>	<u>(14,344)</u>	<u>-</u>	<u>(351,383)</u>
Governmental activities capital assets, net	<u>\$ 38,679</u>	<u>\$(14,344)</u>	<u>\$ -</u>	<u>\$ 24,335</u>
 Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 574	\$ -	\$ -	\$ 574
Less accumulated depreciation for:				
Equipment	<u>(441)</u>	<u>(115)</u>	<u>-</u>	<u>(556)</u>
Business-type activities capital assets, net	<u>\$ 133</u>	<u>\$(115)</u>	<u>\$ -</u>	<u>\$ 18</u>

Depreciation expense was charged to functions/programs of Regional Office of Education #53 as follows:

Governmental activities:	
Instructional services:	
Depreciation	<u>\$ 14,344</u>
 Business-type activities:	
Other:	
Depreciation	<u>\$ 115</u>

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

NOTES TO THE FINANCIAL STATEMENTS

8. CAPITAL LEASE

The Regional Office of Education #53 has a capitalized lease for office equipment. This lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, *Accounting for Leases*, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The assumption of capital leases are recorded as other financing sources and payments are reflected as debt service expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balances for the governmental funds. Equipment acquired by lease is capitalized in the year of acquisition in the amount of the present value of the future minimum lease payments at the time of acquisition. The equipment was originally capitalized in the year ended June 30, 2005 in the amount of \$18,396.

Prepayments on the capital lease were made in May of 2008 to the extent that the next and final payment is due in fiscal year 2010. There were no principal payments made on the lease for the year ended June 30, 2009. The principal balance on the lease at June 30, 2009 was \$387, due in fiscal year 2010.

9. RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

The Regional Office of Education #53 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, 2009 was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2008 and 2007.

In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The employer THIS Fund contribution was 0.63 percent during the year ended June 30, 2009, and the member THIS Fund health insurance contribution was 0.84 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #53's TRS-covered employees.

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

NOTES TO THE FINANCIAL STATEMENTS

9. RETIREMENT FUND COMMITMENTS (Continued)

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

On-Behalf Contributions to TRS – The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #53. For the year ended June 30, 2009, State of Illinois contributions were based on 17.08 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #53 recognized revenue and expenditures of \$11,099 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2008, and June 30, 2007, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 13.11 percent (\$14,256) and 9.78 percent (\$5,341), respectively.

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

The Regional Office of Education #53 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, 2009 were \$655. Contributions for the years ended June 30, 2008, and June 30, 2007, were \$631 and \$317, 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 #53, there is a statutory requirement for the Regional Office of Education #53 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.

For the year ended June 30, 2009, the employer pension contribution was 17.08 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2008 and 2007, the employer contribution was 13.11 and 9.78 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2009, salaries totaling \$42,357 were paid from federal and special trust funds that required employer contributions of \$7,235. For the years ended June 30, 2008, and June 30, 2007, required Regional Office of Education #53 contributions were \$0 and \$0, respectively.

Early Retirement Option – The Regional Office of Education #53 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.

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

NOTES TO THE FINANCIAL STATEMENTS

9. RETIREMENT FUND COMMITMENTS (Continued)

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

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

For the three years ended June 30, 2009, the Regional Office of Education #53 made no payments to TRS for employer contributions under the ERO program.

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.

For the three years ended June 30, 2009, the Regional Office of Education #53 made no payments for employer contributions to TRS 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 (18.67 percent of salary during the year ended June 30, 2009).

For the three years ended June 30, 2009, the Regional Office of Education #53 made no payments for employer contributions to TRS for sick leave days granted in excess of the normal annual allotment.

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

NOTES TO THE FINANCIAL STATEMENTS

9. RETIREMENT FUND COMMITMENTS (Continued)

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

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

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

B. Illinois Municipal Retirement Fund

Plan Description – The Regional Office of Education #53'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 #53's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy – As set by statute, the Regional Office of Education #53's regular plan members are required to contribute 4.50 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 2008 was 12.15 percent of annual covered payroll. The Regional Office of Education #53 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost – For 2008, the Regional Office of Education #53's annual pension cost of \$6,215 for the regular plan was equal to the Regional Office of Education #53's required and actual contributions.

Three-Year Trend Information for the Regular Plan

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2008	\$ 6,215	100%	\$ -
12/31/2007	7,230	100%	-
12/31/2006	8,242	100%	-

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

NOTES TO THE FINANCIAL STATEMENTS

9. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund (Continued)

The required contribution for 2008 was determined as part of the December 31, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 11.6 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3 percent annually. The actuarial value of Regional Office of Education #53's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Regional Office of Education #53's regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2006 valuation was 5 years.

Funded Status and Funding Progress – As of December 31, 2008, the most recent actuarial valuation date, the regular plan was 87.53 percent funded. The actuarial accrued liability for benefits was \$238,961 and the actuarial value of assets was \$209,172, resulting in an underfunded actuarial accrued liability (UAAL) of \$29,789. The covered payroll (annual payroll of active employees covered by the plan) was \$51,151 and the ratio of the UAAL to the covered payroll was 58 percent.

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 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.

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

NOTES TO THE FINANCIAL STATEMENTS

10. INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2009, interfund receivables and payables were as follows:

Due to (Receivable)	Due From (Payable)	Balance at June 30, 2009
Proprietary Fund:		
Local Fund	General Fund	\$ 25,540
Education Fund:		
Regional System Provider/ Federal System of Support	General Fund	14,251
		\$ 39,791

All of the interfund balances consist of loans between individual funds within the same pooled cash account. The loans were used to cover cash shortages in these individual funds.

11. BOND

The Illinois School Code (105 ILCS 5/3-2) directs the Regional Office of Education #53 to execute a bond of not less than \$100,000 on the Regional Superintendent. The Regional Office of Education #53 has secured and maintained such a bond with coverage of \$100,000 on the Regional Superintendent.

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

NOTES TO THE FINANCIAL STATEMENTS

12. DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #53's General Fund, Proprietary Fund, Agency Funds and various grant programs have funds due to and due from various other governmental units which consist of the following:

Due From Other Governments:

General Fund:

Illinois State Board of Education	\$ 54,921
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Education Fund:

Illinois State Board of Education	48,675
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Two Rivers Professional Development Center	25,529
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Illinois State University	2,584
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Iroquois-Kankakee ROE #32	7,888
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Nonmajor Governmental Fund:

Illinois Central College	35
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Proprietary Fund:

Pekin Community High School	44
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Total	<u>\$ 139,676</u>
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Due To Other Governments:

General Fund:

Illinois State Board of Education	\$ 5,698
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Education Fund:

Illinois State Board of Education	19,053
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Illinois State University	3
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Iroquois-Kankakee ROE #32	11,653
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Illinois Central College	81,125
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Hancock-McDonough ROE #26	7
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Institute Fund:

Western Illinois University	9,685
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Fiduciary Funds:

Education for Employment	7,402
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Local School Districts	2,983
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Total	<u>\$ 137,609</u>
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**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS**

13. ON-BEHALF PAYMENTS

The Regional Office of Education #53 received on-behalf payments for employee salaries and benefits from the following entities for the following items:

Tazewell County:	
Office staff salaries and benefits	<u>\$ 89,950</u>
Two Rivers Professional Development Center:	
Office staff salaries and benefits	<u>1,223</u>
State of Illinois:	
TRS pension contributions	13,299
Regional Superintendent - salary	100,762
Regional Superintendent - benefits (includes State paid insurance)	19,695
Assistant Regional Superintendent - salary	90,686
Assistant Regional Superintendent - benefits (includes State paid insurance)	<u>13,010</u>
	<u>237,452</u>
	<u>\$ 328,625</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.

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

14. RISK MANAGEMENT - CLAIMS AND JUDGMENTS

The Regional Office of Education #53 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 #53 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 #53 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 #53 believes any adjustments that may arise will be insignificant to Regional Office of Education #53 operations.

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

NOTES TO THE FINANCIAL STATEMENTS

16. DEFICIT FUND BALANCES

The following fund carried the following deficit balance as of June 30, 2009:

General Fund	<u>\$ 2,226</u>
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The Regional Office of Education #53 intends to reduce this deficit by reducing expenditures in future periods.

17. RECLASSIFICATIONS

The Regional Office of Education #53 reclassified its Media Cooperative Fund and Teacher Leadership Academy as Other Nonmajor Funds. Therefore, fund balances have been reclassified as follows:

	Media Cooperative Fund	Teacher Leadership Academy	Other Nonmajor Funds
Fund balance at June 30, 2008	\$ 28,586	\$ 655	\$ 10,951
Reclassification adjustment	<u>(28,586)</u>	<u>(655)</u>	<u>29,241</u>
Fund balance restated at June 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,192</u>

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

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a) / c]
12/31/2008	\$ 209,172	\$ 238,961	\$ 29,789	87.53 %	\$ 51,151	58.24 %
12/31/2007	220,255	222,708	2,453	98.90 %	49,383	4.97 %
12/31/2006	191,893	203,184	11,291	94.44 %	47,479	23.78 %

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$151,766. On a market basis, the funded ratio would be 63.51 percent.

Digest of Changes

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

SUPPLEMENTAL INFORMATION

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND ACCOUNTS
ROE/ISC OPERATIONS - PROJECT #09-3730-00
For the year ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources	\$ 224,921	\$ 224,921	\$ 219,223	\$ (5,698)
On-behalf payments	-	-	327,402	327,402
	<u>224,921</u>	<u>224,921</u>	<u>546,625</u>	<u>321,704</u>
Total revenues				
Expenditures:				
Salaries and benefits	169,596	173,814	169,444	4,370
Purchased services	43,882	37,811	38,358	(547)
Supplies and materials	5,543	7,271	7,166	105
Other objects	5,900	6,025	6,481	(456)
On-behalf payments	-	-	327,402	(327,402)
	<u>224,921</u>	<u>224,921</u>	<u>548,851</u>	<u>(323,930)</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(2,226)	<u>\$ (2,226)</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance (deficit), end of year			<u>\$ (2,226)</u>	

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND**

June 30, 2009

	<u>McKinney Education for Homeless Children</u>	<u>School & Community Assistance Team</u>	<u>Standards Aligned Classroom</u>	<u>National Board for Professional Teaching Standards</u>
ASSETS				
Cash	\$ 2,397	\$ 685	\$ 27,029	\$ 5,558
Due from other funds	-	-	-	-
Due from other governments	-	-	-	10,472
	<u>2,397</u>	<u>685</u>	<u>27,029</u>	<u>16,030</u>
Total assets	\$ 2,397	\$ 685	\$ 27,029	\$ 16,030
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,390	\$ -	\$ -	\$ 274
Accrued salaries and benefits	-	-	-	3,400
Due to other governments	7	-	-	11,656
Deferred revenue	-	685	27,029	-
	<u>2,397</u>	<u>685</u>	<u>27,029</u>	<u>15,330</u>
Total liabilities	2,397	685	27,029	15,330
FUND BALANCES				
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>700</u>
Total liabilities and fund balances	\$ 2,397	\$ 685	\$ 27,029	\$ 16,030

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND (Continued)
June 30, 2009**

	Regional Safe Schools	ARRA General State Aid	Alternative School Program	Illinois New Principal Mentoring
ASSETS				
Cash	\$ 32,450	\$ -	\$ -	\$ 378
Due from other funds	-	-	-	-
Due from other governments	48,675	-	-	-
Total assets	\$ 81,125	\$ -	\$ -	\$ 378
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-
Due to other governments	81,125	-	-	-
Deferred revenue	-	-	-	378
Total liabilities	81,125	-	-	378
FUND BALANCES				
Unreserved	-	-	-	-
Total liabilities and fund balances	\$ 81,125	\$ -	\$ -	\$ 378

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND (Concluded)
June 30, 2009**

	Regional System Provider/ Federal System of Support	Various Discontinued Programs	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 58,405	\$ 19,053	\$ 145,955
Due from other funds	14,251	-	14,251
Due from other governments	25,529	-	84,676
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 98,185</u>	<u>\$ 19,053</u>	<u>\$ 244,882</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 2,664
Accrued salaries and benefits	-	-	3,400
Due to other governments	-	19,053	111,841
Deferred revenue	98,185	-	126,277
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>98,185</u>	<u>19,053</u>	<u>244,182</u>
FUND BALANCES			
Unreserved	<u>-</u>	<u>-</u>	<u>700</u>
Total liabilities and fund balances	<u>\$ 98,185</u>	<u>\$ 19,053</u>	<u>\$ 244,882</u>

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**COMBINING SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2009**

	McKinney Education for Homeless Children	School & Community Assistance Team	Standards Aligned Classroom	National Board for Professional Teaching Standards
Revenues:				
State sources	\$ -	\$ -	\$ 13,861	\$ 17,522
Federal sources	16,063	-	-	-
On behalf payments	-	-	-	-
Total revenues	16,063	-	13,861	17,522
Expenditures:				
Salaries and benefits	-	-	9,100	6,100
Purchased services	13,622	-	4,761	10,722
Supplies and materials	2,441	-	-	-
Payments to other governments	-	-	-	-
On behalf payments	-	-	-	-
Total expenditures	16,063	-	13,861	16,822
Excess of revenues over expenditures	-	-	-	700
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ 700

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**COMBINING SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS (Continued)
For the year ended June 30, 2009**

	Regional Safe Schools	ARRA General State Aid	Alternative School Program	Illinois New Principal Mentoring
Revenues:				
State sources	\$ 360,229	\$ -	\$ 264,046	\$ 1,372
Federal sources	-	126,995	-	-
On behalf payments	-	-	-	-
Total revenues	360,229	126,995	264,046	1,372
Expenditures:				
Salaries and benefits	-	-	-	-
Purchased services	-	-	-	1,372
Supplies and materials	-	-	-	-
Payments to other governments	360,229	126,995	264,046	-
On behalf payments	-	-	-	-
Total expenditures	360,229	126,995	264,046	1,372
Excess of revenues over expenditures	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**COMBINING SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS (Concluded)
For the year ended June 30, 2009**

	Regional System Provider/ Federal System of Support	Various Discontinued Programs	Total
Revenues:			
State sources	\$ 25,948	\$ -	\$ 682,978
Federal sources	43,181	-	186,239
On behalf payments	1,223	-	1,223
Total revenues	70,352	-	870,440
Expenditures:			
Salaries and benefits	55,240	-	70,440
Purchased services	13,889	-	44,366
Supplies and materials	-	-	2,441
Payments to other governments	-	-	751,270
On behalf payments	1,223	-	1,223
Total expenditures	70,352	-	869,740
Excess of revenues over expenditures	-	-	700
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 700

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS - PROJECT #09-3696-00
For the year ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources	\$ 194,700	\$ 194,700	\$ 360,229	\$ 165,529
Expenditures:				
Payments to other governments	<u>194,700</u>	<u>194,700</u>	<u>360,229</u>	<u>(165,529)</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>	

Note: Actual column also includes Regional Safe Schools State Aid Revenue (project #09-3001-93) of \$165,529.

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2009

	<u>General Education Development</u>	<u>Bus Driver Fund</u>	<u>Supervisory</u>
ASSETS			
Cash	\$ 12,310	\$ 1,976	\$ 1,320
Investments	-	-	-
Due from other governments	35	-	-
Total assets	<u>\$ 12,345</u>	<u>\$ 1,976</u>	<u>\$ 1,320</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 630	\$ -	\$ -
Deferred revenue	-	-	-
Total liabilities	<u>630</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Unreserved	11,715	1,976	1,320
Total liabilities and fund balances	<u>\$ 12,345</u>	<u>\$ 1,976</u>	<u>\$ 1,320</u>

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (Concluded)
June 30, 2009**

	<u>Media Cooperative Fund</u>	<u>Teacher Leadership Academy</u>	<u>Total</u>
ASSETS			
Cash	\$ 4,636	\$ 395	\$ 20,637
Investments	24,391	38,996	63,387
Due from other governments	-	-	35
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 29,027</u>	<u>\$ 39,391</u>	<u>\$ 84,059</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 630
Deferred revenue	-	37,895	37,895
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>37,895</u>	<u>38,525</u>
FUND BALANCES			
Unreserved	<u>29,027</u>	<u>1,496</u>	<u>45,534</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 29,027</u>	<u>\$ 39,391</u>	<u>\$ 84,059</u>

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the year ended June 30, 2009**

	General Education Development	Bus Driver Fund	Supervisory
Revenues:			
Local sources	\$ 12,652	\$ 1,638	\$ 21
State sources	1,290	1,329	1,000
Interest	-	-	-
Total revenues	13,942	2,967	1,021
Expenditures:			
Purchased services	6,707	1,692	508
Supplies and materials	3,443	-	145
Other objects	968	343	64
Total expenditures	11,118	2,035	717
Excess of revenues over expenditures	2,824	932	304
Fund balance, beginning of year	8,891	1,044	1,016
Fund balance, end of year	\$ 11,715	\$ 1,976	\$ 1,320

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (Concluded)
For the year ended June 30, 2009**

	Media Cooperative Fund	Teacher Leadership Academy	Total
Revenues:			
Local sources	\$ -	\$ -	\$ 14,311
State sources	-	-	3,619
Interest	681	841	1,522
Total revenues	681	841	19,452
Expenditures:			
Purchased services	240	-	9,147
Supplies and materials	-	-	3,588
Other objects	-	-	1,375
Total expenditures	240	-	14,110
Excess of revenues over expenditures	441	841	5,342
Fund balance, beginning of year	28,586	655	40,192
Fund balance, end of year	\$ 29,027	\$ 1,496	\$ 45,534

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2009**

	<u>Distributive</u>	<u>Interest on Distributions to Other Governmental Units</u>	<u>Detachment Fund</u>	<u>Total</u>
ASSETS				
Cash	\$ -	\$ 2,983	\$ 1,000	\$ 3,983
Investments	7,402	-	-	7,402
Total assets	<u>\$ 7,402</u>	<u>\$ 2,983</u>	<u>\$ 1,000</u>	<u>\$ 11,385</u>
LIABILITIES				
Due to other governments	\$ 7,402	\$ 2,983	\$ -	\$ 10,385
Due to others	-	-	1,000	1,000
Total liabilities	<u>\$ 7,402</u>	<u>\$ 2,983</u>	<u>\$ 1,000</u>	<u>\$ 11,385</u>

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

For the year ended June 30, 2009

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
<u>DISTRIBUTIVE</u>				
ASSETS				
Investments	\$ 43,636	\$1,680,426	\$1,716,660	\$ 7,402
LIABILITIES				
Due to other funds	\$ -	\$ 748,560	\$ 748,560	\$ -
Due to other governments	43,636	931,866	968,100	7,402
Total liabilities	\$ 43,636	\$1,680,426	\$1,716,660	\$ 7,402

INTEREST ON DISTRIBUTIONS TO OTHER GOVERNMENTAL UNITS

ASSETS				
Cash	\$ 2,939	\$ 44	\$ -	\$ 2,983
LIABILITIES				
Due to other governments	\$ 2,939	\$ 44	\$ -	\$ 2,983

DETACHMENT FUND

ASSETS				
Cash	\$ 1,000	\$ -	\$ -	\$ 1,000
LIABILITIES				
Due to others	\$ 1,000	\$ -	\$ -	\$ 1,000

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (Concluded)
For the year ended June 30, 2009**

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$ 3,939	\$ 44	\$ -	\$ 3,983
Investments	43,636	1,680,426	1,716,660	7,402
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 47,575</u>	<u>\$1,680,470</u>	<u>\$1,716,660</u>	<u>\$ 11,385</u>
LIABILITIES				
Due to other funds	\$ -	\$ 748,560	\$ 748,560	\$ -
Due to other governments	46,575	931,910	968,100	10,385
Due to others	1,000	-	-	1,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 47,575</u>	<u>\$1,680,470</u>	<u>\$1,716,660</u>	<u>\$ 11,385</u>

**TAZEWELL COUNTY
REGIONAL OFFICE OF EDUCATION #53**

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

For the year ended June 30, 2009

	<u>Education for Employment</u>	<u>Mid-Illini Educational Cooperative</u>	<u>Regional Office of Education #53</u>	<u>Total</u>
General State Aid	\$ -	\$ -	\$ 473,211	\$ 473,211
Career and Technical Ed. Improvement	553,334	-	-	553,334
Agriculture Education	9,310	-	-	9,310
ROE School Bus Driver Training	-	-	1,329	1,329
Regional Safe Schools	-	-	146,025	146,025
ROE and ISC Operations	-	178,180	-	178,180
Supervisory Expense	-	-	1,000	1,000
V.E. - Perkins- Title IIC - Secondary	227,276	-	-	227,276
ARRA - General State Aid	-	-	126,995	126,995
TOTAL	<u>\$ 789,920</u>	<u>\$ 178,180</u>	<u>\$ 748,560</u>	<u>\$1,716,660</u>