

**State of Illinois
REGIONAL OFFICE OF EDUCATION #54**

**FINANCIAL AUDIT
For the year ended June 30, 2007**

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



VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

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VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

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VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

OFFICIALS

Regional Superintendent (current and during the audit period) Mr. Michael Metzen

Assistant Regional Superintendent (current and during the audit period) Ms. Cheryl Reifsteck

Offices are located at:

200 S. College, Suite B
Danville, IL 61832

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

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	1	1
Repeated audit findings	1	1
Prior recommendations implemented or not repeated	0	0

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)		
07-01	11-12	Controls Over Compliance with Laws and Regulations

FINDINGS (FEDERAL COMPLIANCE)

There were no findings for the year ended June 30, 2007.

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

None

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

There were no prior findings.

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

EXIT CONFERENCE

An informal exit conference was held on August 24, 2007. Attending were Michael Metzen, Regional Superintendent of Schools, Janice Hawkins, Bookkeeper and Nathan Earnest, CPA of West & Company, LLC.

The responses to the recommendations were provided by Michael Metzen in an e-mail dated November 29, 2007.

FINANCIAL STATEMENT REPORT

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

The financial statement report is comprised of the following:

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

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

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

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

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

Financial Presentation Examined

Auditors' Reports

Findings and Recommendations

Financial Statements

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of the Vermilion County Regional Office of Education #54 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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INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vermilion County Regional Office of Education #54, as of and for the year ended June 30, 2007, which collectively comprise the Vermilion County Regional Office of Education #54's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Vermilion County Regional Office of Education #54's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Vermilion County Regional Office of Education #54, as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2008, on our consideration of the Vermilion County Regional Office of Education #54'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 the audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Member of Private Companies Practice Section

The Management's Discussion and Analysis on pages 16A through 16E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Vermillion County Regional Office of Education #54'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

February 5, 2008

MEMBERS

E. LYNN FREESE
RICHARD C. WEST
KENNETH L. VOGT
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vermilion County Regional Office of Education #54, as of and for the year ended June 30, 2007, which collectively comprise the Vermilion County Regional Office of Education #54's basic financial statements and have issued our report thereon dated February 5, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Vermilion County Regional Office of Education #54'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 Vermilion County Regional Office of Education #54's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Vermilion County Regional Office of Education #54's internal control over financial reporting.

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Vermilion County Regional Office of Education #54's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance or other matter which we reported on the accompanying Schedule of Findings and Questioned Costs as item 07-01.

Vermilion County Regional Office of Education #54's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Vermilion County Regional Office of Education #54's response and, accordingly, we express no opinion on it.

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

West + Company, LLC

February 5, 2008

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2007

Section I -- Summary of Auditors' Results

Financial statements

Type of auditors' report issued:

UNQUALIFIED

Internal control over financial reporting:

- material weakness(es) identified? yes X no

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

- Noncompliance material to financial statements noted? yes X 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 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

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2007

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

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2007

Section II—Financial Statement Findings

FINDING NO. 07-01 – Controls Over Compliance with Laws and Regulations (Repeat of 05-01 and 06-01)

Criteria/specific requirement:

The Illinois School Code 105 ILCS 5/3-5 states that the county superintendent shall present under oath or affirmation to the county board at its meeting in September and as nearly quarterly thereafter as it may have regular or special meetings, a report of all his acts as county superintendent, including a list of all the schools visited with the dates of visitation. (This mandate has existed in its current form since at least 1953.)

Condition:

The Regional Office of Education #54 did present at the September county board meeting and as nearly quarterly thereafter, a report of all his acts including a list of all schools visited. However, the reports did not include the dates of visitation.

Effect:

The Regional Office of Education #54 did not comply with statutory requirements.

Cause:

According to Regional Office officials, the Regional Superintendent did present at the September county board meeting and as nearly quarterly thereafter, a report of all his acts including a list of all schools visited, but due to an oversight, the report did not include of visitation.

Auditors' Recommendation:

The Regional Superintendent should attend the county board meetings in September and quarterly thereafter, and present a report of all his acts including a list of all schools visited and dates of visitation as required by 105 ILCS 5/3-5.

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2007

Section II—Financial Statement Findings (Continued)

FINDING NO. 07-01 – Controls Over Compliance with Laws and Regulations (Repeat of 05-01 and 06-01) (Continued)

Management's Response:

The Regional Superintendent was not aware that specific dates were required in the annual report of official acts to the county board required by 105 ILCS 5/3-5. In the annual report given to the county board for September 2007, the actual dates of visitation were listed by building as required by the School Code. This action should correct the finding on a going forward basis.

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2007

Section III: Federal Award Findings

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

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
For the year ended June 30, 2007

Corrective Action Plan

Finding No.: 07-01

Condition:

The Regional Office of Education #54 did present at the September county board meeting and as nearly quarterly thereafter, a report of all his acts including a list of all schools visited. However, the reports did not include the dates of visitation.

Plan:

The Regional Superintendent plans to report the actual dates visited.

Anticipated Date of Completion:

On going.

Name of Contact Person:

Mike Metzen, Regional Superintendent

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2007

<u>Finding number</u>	<u>Condition</u>	<u>Current Status</u>
06-01	A. Public Act 95-496 repealed the requirements of 105 ILCS 5/3-14.11	Resolved.
	B. The Regional Office of Education #54 did not present at the September county board meeting and as nearly quarterly thereafter, a report of all his acts including a list of all schools visited and dates of visitation.	Repeated as 07-01.
	C. Public act 95-946 repealed the requirements of 105 ILCS 5/3-14.5	Resolved.
	D. The Regional Office of Education #54 complied with the requirements of 105 ILCS 5/3-7.	Finding was not repeated.
	E. The Regional Office of Education #54 complied with the requirements of 105 ILCS 5/13B-25.35	Finding was not repeated.

MANAGEMENT'S DISCUSSION AND ANALYSIS

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended June, 30 2007

I. USING THIS REPORT

These financial statements and accompanying statement are presented in a format consistent with the presentation requirements of GASB Statements No. 34, *Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments*.

II. REPORT COMPONENTS

These financial statements and their accompanying information consist of several parts as follows:

1. Independent auditor's report
2. Basic financial statements including government-wide and fund financial statements
3. Supplemental information including the Management's Discussion and Analysis

III. BASIS OF ACCOUNTING

The accounting for the Regional Office of Education #54 (Regional Office) is organized on the basis of funds. These funds are treated by the Regional Office as a separate accounting entity.

Revenues and expenses on the government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when cash is received or paid. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Revenues and expenditures on the government fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered 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.

The Regional Office does not reflect a General Fund. Because all expenses of operating and maintaining the office are paid for by Vermilion County, those costs are reflected in the budgets and reports of the Vermilion County General Fund.

IV. BUDGETARY HIGHLIGHTS

The Regional Office has not and is not legally required to adopt a formal budgetary accounting system for its various funds. However, the Regional Office has adopted an internal budget for expenses relating to office operations for funding received from the Vermilion County Board.

V. CAPITAL ASSETS

Capital assets for the Regional Office have been capitalized at a \$1,000 entry level. This level has been adopted by the Regional Office on their own to standardize the accounting for these assets. Capital asset levels as capitalized and reported by Vermilion County for office operations and maintenance of the Regional Office are set at \$500; thus, the reporting by the County may differ from the Regional Office. The Regional Office does not currently have any assets.

VI. OTHER REGIONAL OFFICE ACTIVITIES

State regulations have strict requirements regarding the deposits and usage of funds that are deposited with the Regional Office. All funds have been deposited and expended in compliance with those regulations.

Because the Regional Office operates mainly on "pass-through" basis, there is no control over the amount of funds that come through the office to be disbursed. Further, there is no significant information that could be shown that would reflect changes in the funding that are under the control of the Regional Office.

All expenditures that are made by the Regional Office are made in compliance with the purposes as set forth by the funding bodies.

All expenditure made through the General Fund of the Vermilion County are examined prior to disbursement by the Vermilion County Auditor and approved according to their policies for such expenses. All other records of the Regional Office are open to the examination by the Vermilion County Auditor, to the extent allowed by laws regulating such.

VII. FINANCIAL HIGHLIGHTS

This report consists of a series of financial statements and notes to those statements. The statements are organized to assist the reader in understanding the Vermilion County Regional Office of Education as an entire operating entity. The statements go further to provide a detailed look at specific financial activities. The government-wide statements, which are the Statement of Net Assets and the Statement of Activities, provide information about the activities of the whole Regional Office.

The fund financial statements provide the next level of activity. For government type funds, the statements tell how services were financed on a short-term basis, as well as what balances remain for future spending. The major funds of the Regional Office are also looked at on an individual basis, with non-major funds being combined and presented as a total in one column. In the Regional Office, the Direct Services Fund is by far the most significant.

The financial statements also reflect two types of funds. The government funds used by the Regional Office are actually special revenue funds used to account for revenue from specific sources. The Regional Office operates several of these special revenue funds under the blanket of the government funds. Most of the Regional Office's programs and services are accounted for in the government funds. These include institute services, direct services, education services and various other services and activities. In addition, net assets relating to the Teacher Institute Fund are considered restricted for teacher professional development.

Fiduciary funds are funds that are used solely to account for assets held by the Regional Office as a trustee or an agent for other government agencies. Overall, the fiduciary fund is custodial in nature and thus does not involve measurement of results of its operation.

The following table provides a summary of the Regional Office's net assets for the fiscal years June 30, 2006 and 2007.

NET ASSETS

	<u>GOVERNMENTAL FUNDS</u>	
	<u>2007</u>	<u>2006</u>
CURRENT ASSETS		
Cash	\$ 161,316	\$ 176,300
Investments	7,000	7,000
Interest receivable	48	48
	<u>168,364</u>	<u>183,348</u>
CURRENT LIABILITIES		
Accounts payable	2,500	-
Deferred revenue	43,410	44,870
	<u>45,910</u>	<u>44,870</u>
NET ASSETS		
Unrestricted	106,980	111,889
Restricted for teacher professional development	13,475	16,977
Restricted for ROE Schoolworks	1,999	9,612
	<u>\$ 122,454</u>	<u>\$ 138,478</u>

The following table shows the changes in net assets for the fiscal years ended June 30, 2006 and 2007.

CHANGE IN NET ASSETS

	<u>2007</u>	<u>2006</u>
Revenues:		
Program Revenues:		
Operating grants and contributions	\$ 261,031	\$ 260,233
General Revenues:		
Local sources	54,412	53,823
On-behalf payments	270,138	218,193
Interest	1,603	1,546
Transfers	18,887	14,631
TOTAL REVENUES	<u>606,071</u>	<u>548,426</u>
Expenses:		
Instructional services:		
Purchased services	57,180	55,017
Supplies and materials	9,550	12,448
Other objects	3,601	2,295
Payments to other governments	281,626	248,988
Administrative:		
On-behalf payments	270,138	218,193
TOTAL EXPENSES	<u>622,095</u>	<u>536,941</u>
Changes in Net assets	(16,024)	11,485
Net Assets-beginning	138,478	126,993
Net Assets-ending	<u>\$ 122,454</u>	<u>\$ 138,478</u>
Total program revenues	\$ 261,031	\$ 260,233
Total general revenues	<u>326,153</u>	<u>273,562</u>
Total revenues	<u>\$ 587,184</u>	<u>\$ 533,795</u>
Total expenses	<u>\$ 622,095</u>	<u>\$ 536,941</u>

Key financial highlights for fiscal year ended June 30, 2007 are as follows:

- Net assets of government funds decreased \$16,024, representing an 11.6% decrease from 2006.
- The two major expenditures for the government funds are on-behalf payments, representing 43 % of total expenditures and payments to other governments, or flow-through expenditures, representing 45%. Other expenditures are purchased services (9%), supplies and materials (2%), and other expenditures (less than 1%).
- The two major funding sources for the government funds are on-behalf payments, and federal and state operating grants and contributions representing 88%. Other sources are local (9%) and interest (less than 1%), and transfers (3%).
- There was no single significant change in accounts for the majority of the decrease in fund balance. Most funds show a slight increase in revenue (grant, interest, and participation fees) and an increase in expenses (more service, increased cost of services, greater need of services).

In FY 07 the Regional Office of Education provided a local match of funds for the Vermilion Vocational Delivery System that was not provided in FY06. The office also expended increased funds from the Institute Funds on a countywide institute day from previous institute days where the total county participated. The Office also has had to pay for connectivity fees for Internet that had previously been provided by the State of Illinois. The new fingerprinting law requires the Regional Office of Education to assume the cost of employees of multiple districts for the criminal background costs for those obtaining the Type 39 substitute certificates.

In conclusion, the office continues to rely on state and federal funds for delivering the majority of its services. The flow-through accounts provide revenues to provide services to schools, teachers and administration that they might not otherwise have access to at the local level. The Office needs to continue to pursue cooperative efforts with other Local Education Agencies to maximize the programmatic impact with funds available. While this fiscal report is indicative of the current trend, the overall operation of the Regional Office is not greatly affected by decreases at this time.

This financial report is designed to provide the users with a general overview of the finance on the Vermilion County Regional Office of Education. It further serves to demonstrate the Office's accountability for the money it receives and expends. If you have questions about this or need additional financial information, contact the Vermilion County Regional Office of Education at 200 S. College Street, Suite B, Danville, IL 61832.

BASIC FINANCIAL STATEMENTS

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

STATEMENT OF NET ASSETS

June 30, 2007

	<u>Governmental Activities</u>
CURRENT ASSETS	
Cash	\$ 161,316
Investments	7,000
Interest receivable	<u>48</u>
Total assets	<u>168,364</u>
CURRENT LIABILITIES	
Accounts payable	2,500
Deferred revenue	<u>43,410</u>
Total liabilities	<u>45,910</u>
NET ASSETS	
Restricted for teacher professional development	13,475
Restricted for ROE Schoolworks	1,999
Unrestricted	<u>106,980</u>
Total net assets	<u>\$ 122,454</u>

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

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

STATEMENT OF ACTIVITIES
For the year ended June 30, 2007

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Revenues</u> Operating Grants and Contributions	Net (Expense) Revenue and Changes In Net Assets <u>Governmental Activities</u>
Governmental activities:			
Instructional services:			
Purchased services	\$ 57,180	\$ 1,533	\$ (55,647)
Supplies and materials	9,550	252	(9,298)
Other objects	3,601	55	(3,546)
Payments to other governments	281,626	259,191	(22,435)
Administrative:			
On-behalf payments - Local	85,203	-	(85,203)
On-behalf payments - State	184,935	-	(184,935)
	<u>\$ 622,095</u>	<u>\$ 261,031</u>	<u>(361,064)</u>
		General revenues	
		Local sources	54,412
		On-behalf payments - Local	85,203
		On-behalf payments - State	184,935
		Interest	1,603
		Transfers	18,887
		Total general revenues and transfers	<u>345,040</u>
		Change in net assets	(16,024)
		Net assets - beginning	<u>138,478</u>
		Net assets - ending	<u>\$ 122,454</u>

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

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2007

	Institute Fund	General Education Development	Direct Services Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS						
CURRENT ASSETS						
Cash	\$ 53,985	\$ 18,895	\$ 78,621	\$ -	\$ 9,815	\$ 161,316
Investments	-	-	-	-	7,000	7,000
Interest receivable	-	-	-	-	48	48
Total assets	<u>\$ 53,985</u>	<u>\$ 18,895</u>	<u>\$ 78,621</u>	<u>\$ -</u>	<u>\$ 16,863</u>	<u>\$ 168,364</u>
LIABILITIES AND FUND BALANCE						
CURRENT LIABILITIES						
Accounts payable	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ 2,500
Deferred revenue	38,010	-	5,400	-	-	43,410
Total liabilities	<u>40,510</u>	<u>-</u>	<u>5,400</u>	<u>-</u>	<u>-</u>	<u>45,910</u>
FUND BALANCES						
Fund balances, unreserved	13,475	18,895	71,222	-	16,863	120,455
Fund balances, reserved	-	-	1,999	-	-	1,999
Total fund balances	<u>13,475</u>	<u>18,895</u>	<u>73,221</u>	<u>-</u>	<u>16,863</u>	<u>122,454</u>
Total liabilities and fund balances	<u>\$ 53,985</u>	<u>\$ 18,895</u>	<u>\$ 78,621</u>	<u>\$ -</u>	<u>\$ 16,863</u>	<u>\$ 168,364</u>

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

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2007

	Institute Fund	General Education Development	Direct Services Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
Revenues:						
Local sources	\$ 19,561	\$ 12,035	\$ 21,444	\$ -	\$ 1,372	\$ 54,412
State sources	-	-	-	234,660	1,840	236,500
Federal sources	-	-	-	24,531	-	24,531
On-behalf payments	-	-	270,138	-	-	270,138
Interest	522	230	762	-	89	1,603
Total revenues	20,083	12,265	292,344	259,191	3,301	587,184
Expenditures:						
Instructional services:						
Purchased services	15,680	7,167	32,324	-	2,009	57,180
Supplies and materials	313	4,291	4,616	-	330	9,550
Other objects	3,326	-	203	-	72	3,601
Payments to other governments	4,266	-	18,169	259,191	-	281,626
On-behalf payments	-	-	270,138	-	-	270,138
Total expenditures	23,585	11,458	325,450	259,191	2,411	622,095
Excess (deficiency) of revenues over (under) expenditures	(3,502)	807	(33,106)	-	890	(34,911)
Other financing sources:						
Operating transfers in	-	-	18,887	-	-	18,887
Net other sources and uses of financial resources	-	-	18,887	-	-	18,887
Net change in fund balances	(3,502)	807	(14,219)	-	890	(16,024)
Fund balances, beginning of year	16,977	18,088	87,440	-	15,973	138,478
Fund balances, end of year	\$ 13,475	\$ 18,895	\$ 73,221	\$ -	\$ 16,863	\$ 122,454

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

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 June 30, 2007

	Expendable Trust Fund <u>DAAPP</u>	Agency Fund <u>Distributive</u>
ASSETS		
Cash	<u>\$ 10,076</u>	<u>\$ -</u>
Total assets	<u>\$ 10,076</u>	<u>\$ -</u>
LIABILITIES		
Accounts payable	<u>\$ 418</u>	<u>\$ -</u>
Total liabilities	<u>418</u>	<u>\$ -</u>
NET ASSETS		
Held in trust	<u>\$ 9,658</u>	

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

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND

For the year ended June 30, 2007

	Expendable Trust Fund <u>DAAPP</u>
ADDITIONS	
Local sources	\$ 35,773
Interest	<u>321</u>
Total additions	<u>36,094</u>
DEDUCTIONS	
Salaries	17,500
Purchased services	8,383
Supplies and materials	<u>11,417</u>
Total deductions	<u>37,300</u>
Change in net assets	(1,206)
Net assets - beginning of year	<u>10,864</u>
Net assets - end of year	<u>\$ 9,658</u>

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

NOTES TO THE FINANCIAL STATEMENTS

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #54's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental units of this type.

A. Reporting Entity

The Regional Office of Education #54 was created by Illinois Public Act 76-735, as amended, effective August 11, 1969. The region encompasses Vermilion 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 Superintendent's responsibilities for administering the school educational service region programs include, but are not limited to, providing directions to teachers and school officials on science, art and teaching methods; implementing the State Board of Education's Policy Programs; encouraging camaraderie among teachers through the teachers' institute; making public notice of unfilled teaching positions within the region; and insuring of the safety, health and welfare of the students in the region by periodically inspecting the school buildings and insuring that the bus drivers have valid driving licenses and are properly trained to operate the school buses. Further, the superintendent receives an allocation of school funds from the State Board of Education and apportions these funds to the school districts in accordance with the State Board of Education's formula.

The Regional Office of Education #54 derives its oversight power and authority over the school districts from the School Code of Illinois and is responsible for its own fiscal and budgetary matters. The Regional Office of Education #54 exercises no oversight responsibility or financial interdependency, selection of governing authority, designation of management or the ability to significantly influence the operations of any other outside agencies. Control or dependency is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing order. Therefore, no other agency has been included as a component unit in the Regional Office of Education #54's financial statements. In addition, the Regional Office of Education #54 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education #54 being considered a component unit of the entity.

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 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.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

General Fund – The Regional Office of Education #54 maintains no General Fund because the expenses of maintaining its office are paid by Vermilion County.

Teacher Institute Fund – The Teacher Institute Fund accounts for teacher registration fees. These funds are used to defray expenses connected with improving the technology necessary for the efficient processing of certificates as well as any of the expenses incidental to teacher institutes, workshops, or meetings of a professional nature that are designed to promote the professional growth of teachers. All funds generated remain restricted until expended only in the aforementioned activities.

Direct Services – Interest from the Distributive Fund is transferred to this fund to be used for various programs that benefit the school districts or the regional office. Examples are grant match, computer consortium and technology hub. The fund also accounts for monies received for the ROE Schoolwork program. The \$1,999 reserved fund balance relates to unspent ROE Schoolwork program funds at June 30, 2007.

General Education Development Fund – This fund is used to account for proceeds earned from individuals who pay fees to participate in the high school equivalency program and the costs incurred in administering the program.

Education – This fund is used to account for State, local and federal grant monies received for, and payment of, administering numerous grant awards for education which include:

General State Aid – This fund is used to account for General State Aid received from the Illinois State Board of Education based on the average daily attendance at the Regional Safe School.

State Lunch – This fund is used to account for State monies received to provide free lunches and breakfasts to eligible needy children enrolled in the Regional Safe School Program.

School Breakfast Incentive – To account for State monies received to provide free breakfasts to eligible needy children enrolled in the Regional Safe School Program.

Regional Safe Schools – This fund is used to account for the Regional Safe Schools grant monies. The program concentrates on the education of students who have been expelled from the school districts served by the Regional Office of Education #54.

Child Nutrition Commodity/Salvage – This fund is used to account for federal monies received for noncash commodities that were sent to program participants but were somehow damaged or otherwise unusable.

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Education (continued)

National School Lunch Program – This fund is used to account for the monies received from federal funds for reimbursement for meals served through the school lunch program at the regular price as well as reimbursement of free and reduced-price meals for students enrolled in the Regional Safe Schools Program.

School Breakfast Program – To account for federal monies received to provide breakfast meals meeting federal requirements to all children in attendance at the Regional Safe School Program.

The Regional Office of Education reports the following nonmajor funds:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources, other than those accounted for in the Fiduciary Funds, that are restricted to expenditures for specific purposes. Included among these funds are:

Bus Driver Training Fund – This fund is used to account for the fee charged for annual training courses. The funds can be used for supplies and training pertaining to this program.

Supervisory Fund – This fund is used to account for the travel and other expenditures necessary to perform the duty of supervising the school districts in the region.

Board of School Trustees Fund – This fund is used to account for the expenses of the Regional Board of School Trustees.

Additionally, the Regional Office of Education reports the following fiduciary funds:

Agency Funds – Agency Funds are used to account for assets held by the Regional Office of Education #54 in a trustee capacity or as an agent for other governments. The Agency Fund is the Distributive Fund. It accounts for assets held by the Regional Office of Education #54 as an agent for the school districts within its region. This fund is custodial in nature and does not involve the measurement of the results of operations. The financial statements reflect modified accrual basis accounting in which the amounts due to school districts are equal to the assets.

Expendable Trust Fund – This fund is used to account for the resources held by the Regional Office of Education #54 as trustee for Vermilion County's Drug and Alcohol Abuse Prevention Program (DAAPP).

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. Cash and Investments

State regulations require that Regional Office of Education #54 deposit funds under its control into accounts insured by the federal government, secured by substantial collateral, or into pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts. The Regional Office of Education #54 considers certificates of deposit with an original maturity date greater than 90 days to be investments.

Statutes authorize the Regional Office of Education #54 to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

2. Interfund Transactions

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

3. Capital Assets

Capital assets are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

3. Capital Assets (continued)

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

<u>Assets</u>	<u>Years</u>
Office Equipment	5-7
Computer Equipment	3

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

The majority of capital assets used by the Regional Office of Education #54 have been purchased by Vermilion County. These capital assets are property of Vermilion County and included in Vermilion County's financial statements. The Regional Office of Education #54 has not purchased any capital assets that meet its capitalization threshold.

4. Equity Classifications

Government-wide Statements

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

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. The reservation of fund balance in the Direct Services Fund shows an amount reserved for the Regional Office of Education #54's Schoolwork program.

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

NOTES TO THE FINANCIAL STATEMENTS

2. BUDGETS AND BUDGETARY ACCOUNTING

The Regional Office of Education #54 did not adopt and was not legally required to adopt annual budgets for all funds under its control. Some annual budgets prepared were not based upon the same operating period; therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

Budgets relating to programs funded by grants from the Illinois State Board of Education are prepared and submitted to the State Board as part of the grant awards process. The State Board must also approve amendments to these budgets. Grant project budgets are based on the award period. A budget versus actual statement has been presented for the Regional Safe Schools grant.

3. 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.

4. DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2007, the carrying amounts of the Regional Office of Education #54's deposits for the governmental activities and fiduciary funds were \$168,316 and \$10,076, respectively. The bank balance for the governmental activities and fiduciary funds were \$892,680 and \$10,326, respectively. The Regional Office of Education #54's deposits include a \$7,000 certificate of deposit which is reflected in the basic financial statements under the caption investments. Of the total bank balances for the governmental activities as of June 30, 2007, \$125,424 was secured by federal depository insurance and \$767,256 was collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education #54's name. Of the bank balance for the fiduciary funds as of June 30, 2007, \$10,326 was secured by federal depository insurance.

B. Investments

The Regional Office of Education #54 does not have a formal investments policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. At June 30, 2007, the Regional Office of Education #54 had no investments in the Illinois Funds Money Market Fund.

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

NOTES TO THE FINANCIAL STATEMENTS

5. PENSION AND RETIREMENT COMMITMENTS

These financial statements relate information pertaining to the funds administered by the Regional Superintendent. All personnel of the Regional Office of Education #54's office receive their salaries from other sources. The Superintendent and the Assistant Superintendent receive their salaries directly from the Illinois State Board of Education. The other personnel are employees of Vermillion County. There are no pension disclosures to present. Pension disclosures for the Superintendent and Assistant Superintendent are included in the financial statements of the Illinois State Board of Education. Pension disclosures for other employees are included in the Vermillion County annual financial report.

6. SCHEDULE OF TRANSFERS

Transfers From Other Funds (Transfers In)	Transfers To Other Funds (Transfers Out)
Major Governmental Fund:	Agency Fund:
Direct services <u>\$ 18,887</u>	Distributive fund <u>\$ 18,887</u>

The transfers represent the amount of interest earned on the Distributive Fund checking account that was transferred to the Direct Services Fund during the fiscal year ended June 30, 2007.

7. RETENTION OF INTEREST INCOME

The Regional Superintendent has retained interest income earned on distributive funds passed through his office. The Regional Superintendent has spent this interest income for materials, supplies, and program expenses. Per an agreement dated March 14, 1988, all district superintendents within the Vermillion County region, with approval of their school boards, consented to allow retention of interest earned on such funds by the Regional Superintendent for uses that are in the best interest of the regional school districts. This agreement was retroactive to the inception of the investment program.

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

NOTES TO THE FINANCIAL STATEMENTS

8. ON-BEHALF PAYMENTS

The Regional Office of Education #54 has received on-behalf payments from the following governmental entities:

Vermilion County:

Office salaries and benefits	\$	73,577
Purchased services		8,556
Supplies		3,070
		<hr/>
		85,203
		<hr/>

State of Illinois:

Regional Superintendent

Salary		84,737
Benefits		
(includes state paid insurance)		10,418

Assistant Regional Superintendent

Salary		76,263
Benefits		
(includes state paid insurance)		13,517
		<hr/>
		184,935
		<hr/>

\$ 270,138

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 Direct Services Fund.

9. BOND

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

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

NOTES TO THE FINANCIAL STATEMENTS

10. RISK MANAGEMENT – CLAIMS AND JUDGEMENT

The Regional Office of Education #54 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 #54 is covered by commercial insurance provided by Vermilion County to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years.

11. CONTINGENCIES

The Regional Office of Education #54 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 #54 believes any adjustments that may arise will be insignificant to Regional Office of Education #54 operations.

12. RECLASSIFICATIONS

The Regional Office of Education #54 reclassified one of its governmental funds from Other Nonmajor Funds to the major fund, General Education Development. Therefore, fund balances have been reclassified as follows:

	<u>General Education Development</u>	<u>Other Nonmajor Funds</u>
Fund balance at June 30, 2006	\$ -	\$ 34,061
Reclassification adjustments	<u>18,088</u>	<u>(18,088)</u>
Fund balance restated at June 30, 2006	<u>\$ 18,088</u>	<u>\$ 15,973</u>

SUPPLEMENTAL INFORMATION

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 June 30, 2007

	General State Aid	State Lunch	School Breakfast Incentive	Regional Safe Schools
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets	\$ -	\$ -	\$ -	\$ -
Liabilities	\$ -	\$ -	\$ -	\$ -
Fund Balance	<u> </u> -	<u> </u> -	<u> </u> -	<u> </u> -
Total liabilities and fund balance	<u> </u> \$ -	<u> </u> \$ -	<u> </u> \$ -	<u> </u> \$ -

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND (continued)
 June 30, 2007

	Child Nutrition Commodity/ Salvage	National School Lunch Program	School Breakfast Program	Total
Assets	\$ -	\$ -	\$ -	\$ -
Liabilities	\$ -	\$ -	\$ -	\$ -
Fund Balance	-	-	-	-
Total liabilities and fund balance	\$ -	\$ -	\$ -	\$ -

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 For the year ended June 30, 2007

	General State Aid	State Lunch	School Breakfast Incentive	Regional Safe Schools
Revenues:				
State sources	\$ 90,731	\$ 1,165	\$ 40	\$ 142,724
Federal sources	-	-	-	-
Total revenues	<u>90,731</u>	<u>1,165</u>	<u>40</u>	<u>142,724</u>
Expenditures:				
Payments to other governments	<u>90,731</u>	<u>1,165</u>	<u>40</u>	<u>142,724</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

EDUCATION FUND ACCOUNTS (continued)

For the year ended June 30, 2007

	Child Nutrition Commodity/ Salvage	National School Lunch Program	School Breakfast Program	Total
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ 234,660
Federal sources	10	16,682	7,839	24,531
Total revenues	10	16,682	7,839	259,191
Expenditures:				
Payments to other governments	10	16,682	7,839	259,191
Excess of revenues over expenditures	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 REGIONAL SAFE SCHOOLS - PROJECT #07-3696-00
 For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 142,724	\$ 142,724	\$ 142,724	\$ -
Total revenues	142,724	142,724	142,724	-
Expenditures:				
Payments to other governments	142,724	142,724	142,724	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2007

	Bus Driver <u>Training</u>	<u>Supervisory</u>	Board of School <u>Trustees</u>	<u>Total</u>
ASSETS				
Cash	\$ 3,280	\$ 3,314	\$ 3,221	\$ 9,815
Investments	-	-	7,000	7,000
Interest receivable	-	-	48	48
Total assets	<u>\$ 3,280</u>	<u>\$ 3,314</u>	<u>\$ 10,269</u>	<u>\$ 16,863</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES	\$ -	\$ -	\$ -	\$ -
FUND BALANCES				
Unreserved	<u>3,280</u>	<u>3,314</u>	<u>10,269</u>	<u>16,863</u>
Total liabilities and fund balances	<u>\$ 3,280</u>	<u>\$ 3,314</u>	<u>\$ 10,269</u>	<u>\$ 16,863</u>

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

For the year ended June 30, 2007

	Bus Driver Training	Supervisory	Board of School Trustees	Total
Revenues:				
Local sources	\$ 1,372	\$ -	\$ -	\$ 1,372
State sources	840	1,000	-	1,840
Interest	-	30	59	89
Total revenues	<u>2,212</u>	<u>1,030</u>	<u>59</u>	<u>3,301</u>
Expenditures:				
Purchased services	1,945	64	-	2,009
Supplies and materials	103	227	-	330
Other objects	-	-	72	72
Total expenditures	<u>2,048</u>	<u>291</u>	<u>72</u>	<u>2,411</u>
Excess (deficiency) of revenues over (under) expenditures	164	739	(13)	890
Fund balance, beginning of year	<u>3,116</u>	<u>2,575</u>	<u>10,282</u>	<u>15,973</u>
Fund balance, end of year	<u>\$ 3,280</u>	<u>\$ 3,314</u>	<u>\$ 10,269</u>	<u>\$ 16,863</u>

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND

For the year ended June 30, 2007

	Balance <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2007</u>
Distributive Fund:				
Assets				
Investments	\$ -	\$ 74,737,629	\$ 74,737,629	\$ -
Due from other government	<u>755,157</u>	<u>74,737,629</u>	<u>75,492,786</u>	<u>-</u>
Total assets	<u>\$ 755,157</u>	<u>\$ 149,475,258</u>	<u>\$ 150,230,415</u>	<u>\$ -</u>
Liabilities				
Due to other fund	\$ -	\$ 18,887	\$ 18,887	\$ -
Due to other governments	<u>755,157</u>	<u>73,982,472</u>	<u>74,737,629</u>	<u>-</u>
Total liabilities	<u>\$ 755,157</u>	<u>\$ 74,001,359</u>	<u>\$ 74,756,516</u>	<u>\$ -</u>

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 DISTRIBUTIVE FUND
 For the year ended June 30, 2007

	Community Unit School District #1 Bismarck Illinois	Community Unit School District #2 Westville Illinois	Community Unit School District #4 Georgetown Ridge Farm Illinois	Community Unit School District #5 Catlin Illinois
Bus driver training	\$ -	\$ -	\$ -	\$ -
General state aid	2,590,341	5,315,013	5,082,997	1,739,188
Special education				
-private facilities	-	-	-	-
-extraordinary	39,432	116,636	46,673	51,245
-personnel	126,321	249,482	268,080	91,259
-orphanage	12,232	73,036	-	6,939
-summer	-	-	686	-
Vocational education	-	-	-	-
Bilingual ED TPI/TBE	-	-	-	-
Free lunch and breakfast	2,695	10,516	7,810	984
School breakfast incentive	-	198	33	-
Transportation				
-regular	197,894	232,971	282,893	106,409
-special education	98,741	138,202	131,357	8,054
Truant alternative/optional ed.	-	-	-	-
Early Childhood	-	-	-	-
Reading improvement	22,416	51,671	49,168	13,556
Supervisory fund	-	-	-	-
ADA safety/ed block grant	33,320	46,432	45,087	19,940
Federal school lunch and breakfast program/commodities	92,445	198,307	179,799	34,961
Federal special milk	-	-	-	-
School breakfast program	-	43,302	12,297	-
Nutrition commodity salvage	163	198	182	76
Title I - low income	34,498	351,257	294,633	13,444
Title I - migrant program	-	-	-	-
Title I - migrant incentive	-	-	-	-
Title I - comprehensive school reform	-	-	12,000	-
Drug free schools & communities	3,040	8,133	5,993	1,539
Special Ed - flow through	-	-	-	-
I.D.E.A. - flow through	-	-	-	-
I.D.E.A. - room/board	-	38	-	-
Title II - teacher quality	24,090	70,231	92,511	13,295
Technology - literacy challenge	-	4,686	3,552	170
Driver's education	14,646	14,037	11,516	5,388
Summer bridges	-	-	-	-
Regional safe schools	-	-	-	-
Title V - innovative programs	1,229	3,863	2,456	674
Hurricane relief	-	-	-	6,000
Orphanage tuition	-	-	-	-
Class size reduction	-	-	-	-
National board certification initiatives	-	-	-	-
Tech revolving loan	-	-	-	-
	<u>\$ 3,293,503</u>	<u>\$ 6,928,209</u>	<u>\$ 6,529,723</u>	<u>\$ 2,113,121</u>

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 DISTRIBUTIVE FUND (continued)
 For the year ended June 30, 2007

	Community Unit School District #7 Rossville Illinois	Community Unit School District #10 Potomac Illinois	Community Unit School District #11 Hoopeston Illinois	Community Unit School District #12 Jamaica Illinois
Bus driver training	\$ -	\$ -	\$ -	\$ -
General state aid	1,252,119	942,889	4,758,317	1,257,827
Special education				
-private facilities	-	-	71,230	1,393
-extraordinary	11,240	18,524	212,488	15,328
-personnel	43,958	31,821	251,211	82,292
-orphanage	-	6,586	9,297	7,788
-summer	-	-	-	621
Vocational education	-	-	-	-
Bilingual ED TPI/TBE	-	-	-	-
Free lunch and breakfast	2,764	1,376	11,421	1,640
School breakfast incentive	-	51	714	-
Transportation				
-regular	149,172	53,779	244,594	241,690
-special education	25,585	51,826	87,549	70,562
Truant alternative/optional ed.	-	-	-	-
Early Childhood	-	-	-	-
Reading improvement	12,300	8,941	50,857	14,051
Supervisory fund	-	-	-	-
ADA safety/ed block grant	15,303	9,931	48,339	16,931
Federal school lunch and breakfast program/commodities	52,388	25,588	218,606	53,456
Federal special milk	-	236	1,723	-
School breakfast program	13,293	9,099	48,410	-
Nutrition commodity salvage	55	34	213	79
Title I - low income	4,888	44,910	283,762	66,956
Title I - migrant program	-	-	130,897	-
Title I - migrant incentive	-	-	6,663	-
Title I - comprehensive school reform	-	-	-	-
Drug free schools & communities	1,120	1,002	6,340	1,373
Special Ed - flow through	-	-	-	-
I.D.E.A. - flow through	-	-	-	-
I.D.E.A. - room/board	-	-	90,612	-
Title II - teacher quality	2,685	11,607	71,553	14,940
Technology - literacy challenge	777	817	7,556	571
Driver's education	-	-	14,631	6,993
Summer bridges	-	-	-	-
Regional safe schools	-	-	-	-
Title V - innovative programs	9,052	469	2,397	388
Hurricane relief	-	-	-	-
Orphanage tuition	-	-	-	-
Class size reduction	-	-	-	-
National board certification initiatives	-	-	-	-
Tech revolving loan	-	-	-	-
	<u>\$ 1,596,699</u>	<u>\$ 1,219,486</u>	<u>\$ 6,629,380</u>	<u>\$ 1,854,879</u>

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 DISTRIBUTIVE FUND (continued)
 For the year ended June 30, 2007

	Community Unit School District #61 Armstrong Ellis Illinois	Community Unit School District #76 Oakwood Illinois	Community Unit School District #118 Danville Illinois	Community Unit School District #225 Armstrong Illinois
Bus driver training	\$ -	\$ -	\$ -	\$ -
General state aid	253,845	3,637,007	23,340,926	184,281
Special education				
-private facilities	-	-	87,159	-
-extraordinary	12,609	38,582	1,032,460	4,318
-personnel	19,399	124,874	1,217,483	10,000
-orphanage	16,159	1,503	63,052	-
-summer	-	695	16,833	-
Vocational education	-	-	116,896	-
Bilingual ED TPI/TBE	-	-	3,719	-
Free lunch and breakfast	861	3,828	92,229	769
School breakfast incentive	31	-	-	-
Transportation				
-regular	54,073	368,955	1,627,540	90,522
-special education	29,011	110,405	482,335	22,146
Truant alternative/optional ed.	-	-	131,004	-
Early Childhood	-	-	2,414,893	-
Reading improvement	7,216	38,195	293,619	-
Supervisory fund	-	-	-	-
ADA safety/ed block grant	4,477	41,758	226,361	4,072
Federal school lunch and breakfast program/commodities	18,396	112,066	1,387,757	23,046
Federal special milk	-	-	-	-
School breakfast program	4,800	-	441,903	-
Nutrition commodity salvage	23	178	1,024	37
Title I - low income	32,722	176,832	2,469,256	14,510
Title I - migrant program	-	-	-	-
Title I - migrant incentive	-	-	-	-
Title I - comprehensive school reform	-	-	-	-
Drug free schools & communities	629	3,697	41,645	383
Special Ed - flow through	-	-	93,834	-
I.D.E.A. - flow through	-	-	1,575,685	-
I.D.E.A. - room/board	-	-	265	-
Title II - teacher quality	10,211	44,738	606,088	4,400
Technology - literacy challenge	803	1,575	27,637	-
Driver's education	-	8,378	47,441	7,037
Summer bridges	-	-	165,289	-
Regional safe schools	-	-	-	-
Title V - innovative programs	254	2,392	16,491	178
Hurricane relief	-	-	15,000	-
Orphanage tuition	-	-	256,262	-
Class size reduction	-	-	303,636	-
National board certification initiatives	-	-	9,000	-
Tech revolving loan	-	-	160,000	-
	<u>\$ 465,519</u>	<u>\$ 4,715,658</u>	<u>\$ 38,764,722</u>	<u>\$ 365,699</u>

VERMILION COUNTY REGIONAL OFFICE OF EDUCATION #54

SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 DISTRIBUTIVE FUND (continued)
 For the year ended June 30, 2007

	Vermilion County ROE #54	Total
Bus driver training	\$ 840	\$ 840
General state aid	90,731	50,445,481
Special education		
-private facilities	-	159,782
-extraordinary	-	1,599,535
-personnel	-	2,516,180
-orphanage	-	196,592
-summer	-	18,835
Vocational education	-	116,896
Bilingual ED TPI/TBE	-	3,719
Free lunch and breakfast	1,165	138,058
School breakfast incentive	40	1,067
Transportation		
-regular	-	3,650,492
-special education	-	1,255,773
Truant alternative/optional ed.	-	131,004
Early Childhood	-	2,414,893
Reading improvement	-	561,990
Supervisory fund	1,000	1,000
ADA safety/ed block grant	-	511,951
Federal school lunch and breakfast program/commodities	16,682	2,413,497
Federal special milk	-	1,959
School breakfast program	7,839	580,943
Nutrition commodity salvage	10	2,272
Title I - low income	-	3,787,668
Title I - migrant program	-	130,897
Title I - migrant incentive	-	6,663
Title I - comprehensive school reform	-	12,000
Drug free schools & communities	-	74,894
Special Ed - flow through	-	93,834
I.D.E.A. - flow through	-	1,575,685
I.D.E.A. - room/board	-	90,915
Title II - teacher quality	-	966,349
Technology - literacy challenge	-	48,144
Driver's education	-	130,067
Summer bridges	-	165,289
Regional safe schools	142,724	142,724
Title V - innovative programs	-	39,843
Hurricane relief	-	21,000
Orphanage tuition	-	256,262
Class size reduction	-	303,636
National board certification initiatives	-	9,000
Tech revolving loan	-	160,000
	<u>\$ 261,031</u>	<u>\$ 74,737,629</u>