

State of Illinois
WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
FINANCIAL AUDIT
For the Year Ended June 30, 2007

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

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55**

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**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55**

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**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55**

OFFICIALS

Regional Superintendent
(Current and during the Audit Period)

Mr. Gary J. Steinert

Assistant Regional Superintendent
(Current and during the Audit Period)

Mr. Robert Sondgeroth

Office is located at:

1001 West 23rd Street
Sterling, Illinois 61081

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55**

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.

AUDITOR'S REPORTS

The auditor's 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	0	1
Prior recommendations implemented or not repeated	1	2

Details of audit 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)		
07-1	9-10	Controls Over Financial Statement Preparation
PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)		
06-1	12	Controls Over Compliance with Laws and Regulations

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference held orally on September 4, 2007. Attending were Mr. Gary J. Steinert, Regional Superintendent, and Mr. Joe Hoerschelmann, Auditor from Clifton Gunderson LLP. Responses to the recommendations were provided by Mr. Gary J. Steinert, Regional Superintendent, on February 1, 2008.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55**

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Whiteside County Regional Office of Education No. 55 was performed by Clifton Gunderson LLP.

Based on their audit, the auditors expressed an unqualified opinion on the Whiteside County Regional Office of Education No. 55's basic financial statements.

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Whiteside County Regional Office of Education No. 55, as of and for the year ended June 30, 2007, which collectively comprise the Whiteside County Regional Office of Education No. 55's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Whiteside County Regional Office of Education No. 55'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 Whiteside County Regional Office of Education No. 55, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2008 on our consideration of Whiteside County Regional Office of Education No. 55'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 13 through 27 and 60 are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Whiteside County Regional Office of Education No. 55's basic financial statements. The accompanying supplemental information, such as the combining and individual nonmajor fund financial statements, budgetary comparison schedules and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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.

Clifton Henderson LLP

Clinton, Iowa
June 12, 2008

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Whiteside County Regional Office of Education No. 55, as of and for the year ended June 30, 2007, which collectively comprise the Whiteside County Regional Office of Education No. 55's basic financial statements and have issued our report thereon dated June 12, 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 Whiteside County Regional Office of Education No. 55's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the Whiteside County Regional Office of Education No. 55's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Whiteside County Regional Office of Education No. 55's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting, 07-1.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Whiteside County Regional Office of Education No. 55'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*.

Whiteside County Regional Office of Education No. 55's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Whiteside County Regional Office of Education No. 55's responses and, accordingly, we express no opinion on them.

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

Clifton Henderson LLP

Clinton, Iowa
June 12, 2008

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

Section I: Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: _____ Unqualified _____

Internal control over financial reporting:

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

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

Section II: Financial Statement Findings:

FINDING NO. 07-1 - Controls Over Financial Statement Preparation

Criteria/Specific Requirement:

The Regional Office of Education No. 55 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 No. 55 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not maintain adequate internal controls over the processing of all financial transactions and numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.

Effect:

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

Cause:

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

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

Section II: Financial Statement Findings:

FINDING 07-1 - Controls Over Financial Statement Preparation (Continued)

Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education No. 55 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

Management's Response:

The Regional Office of Education No. 55 understands the nature of this finding and realizes the circumstance is not unusual in an organization of this size. The Regional Office accepts the degree of risk associated with this condition because the added expense of seeking additional accounting expertise to prepare and/or review financial statements would take away from the funds available to provide educational services for the schools in the region. As such, we will continue to do the best we can with what we have in resources.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
June 30, 2007**

FINDING NO. 07-1 - Controls Over Financial Statement Preparation

Condition:

The Regional Office of Education No. 55 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not maintain adequate internal controls over the processing of all financial transactions and numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.

Plan:

The Regional Office of Education No. 55 understands the nature of this finding and realizes the circumstance is not unusual in an organization of this size. The Regional Office accepts the degree of risk associated with this condition because the added expense of seeking additional accounting expertise to prepare and/or review financial statements would take away from the funds available to provide educational services for the schools in the region. As such, we will continue to do the best we can with what we have in resources.

Anticipated Completion Date:

June 30, 2008

Contact Person Responsible for Corrective Action:

Mr. Gary J. Steinert, Regional Superintendent

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2007**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
06-1	A. Public Act 95-496 repealed the requirements of 105 ILCS 5/3-14.11.	Resolved
06-1	B. ROE reported all activities quarterly to the county board, including a list of all school visited with dates of visitation.	Resolved
06-1	C. Public Act 95-496 repealed the requirements of 105 ILCS 5/3-14.5.	Resolved

MANAGEMENT'S DISCUSSION AND ANALYSIS

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

The Whiteside County Regional Office of Education No. 55 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, 2007. We encourage readers to consider this information in conjunction with the Whiteside County Regional Office of Education No. 55's financial statements, which follow.

2007 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$307,920 in 2006 to \$312,399 in 2007 due to the receipt of additional local, state, and federal funding. The Whiteside County Regional Office of Education No. 55 showed a decrease in General Fund balance from \$81,261 in fiscal year 2006 to \$50,806 in fiscal year 2007 due to expenditures above revenues to support various programs offered by the Regional Office.
- The Institute Fund's fund balance decreased from \$40,225 in 2006 to \$20,396 in 2007. The main reason for the decrease is due to supplemental funding for individuals providing staff development to local districts. Due to the General Operations state grant being reduced by half, other sources of revenue have to be used to provide services to local districts.
- The Education Fund's fund balance increased from \$109,883 in 2006 to \$131,691 in 2007. The Education Fund is made up of grants that the Regional Office receives and these can vary greatly from year to year as some programs are discontinued while others see a funding increase.

USING THIS ANNUAL REPORT

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of Whiteside County Regional Office of Education No. 55'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 Whiteside County Regional Office of Education No. 55 as a whole and present an overall view of Whiteside County Regional Office of Education No. 55's finances.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Whiteside County Regional Office of Education No. 55's operations in more detail than the government-wide statements by providing information about the most significant funds.

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

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

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

Figure A-1 summarizes the major features of Whiteside County Regional Office of Education No. 55's financial statements, including the portion of Whiteside County Regional Office of Education No. 55's activities they cover and the types of information they contain.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

Figure A-1

Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Regional Office of Education No. 55 (except fiduciary funds)	The activities of Regional Office of Education No. 55 that are not proprietary or fiduciary, such as grants and statutory funds	Activities of Regional Office of Education No. 55 operates similar to private businesses: workshops	Instances in which Regional Office of Education No. 55 administers resources on behalf of someone else, such as the distributive fund, the payroll fund, and the public aid fund.
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Revenues, Expenses, and Changes in Fund Net Assets • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

**REPORTING WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55'S
FINANCIAL ACTIVITIES**

Government-wide Financial Statements

The government-wide financial statements report information about Whiteside County Regional Office of Education No. 55 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of Whiteside County Regional Office of Education No. 55's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report Whiteside County Regional Office of Education No. 55's net assets and how they have changed. Net assets - the difference between Whiteside County Regional Office of Education No. 55's assets and liabilities - are one way to measure Whiteside County Regional Office of Education No. 55's financial health or financial position. Over time, increases or decreases in Whiteside County Regional Office of Education No. 55's net assets are an indicator of whether financial position is improving or deteriorating. To assess Whiteside County Regional Office of Education No. 55's overall health, additional non-financial factors, such as changes in Whiteside County Regional Office of Education No. 55's grant funding and the condition of facilities need to be considered.

In the government-wide financial statements, Whiteside County Regional Office of Education No. 55's activities are divided into two categories:

- *Governmental activities:* Most of Whiteside County Regional Office of Education No. 55's basic services are included here, such as grants and statutory funds. Federal and state grant proceeds finance most of these activities.
- *Business-type activities:* Whiteside County Regional Office of Education No. 55 charges fees to help cover the costs of certain services it provides. Whiteside County Regional Office of Education No. 55's Meeting the Challenge Workshop Fund is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about Whiteside County Regional Office of Education No. 55's funds, focusing on its most significant or "major" funds - not Whiteside County Regional Office of Education No. 55 as a whole. Funds are accounting devices Whiteside County Regional Office of Education No. 55 uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law. Whiteside County Regional Office of Education No. 55 establishes other funds to control and manage money for particular purposes, such as accounting for special revenue funds, or to show that it is properly using certain revenues, such as federal grants.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

Whiteside County Regional Office of Education No. 55 has three kinds of funds:

1) *Governmental funds*: Most of Whiteside County Regional Office of Education No. 55's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance Whiteside County Regional Office of Education No. 55's programs.

Whiteside County Regional Office of Education No. 55's governmental funds include the General Fund and Special Revenue Funds.

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

2) *Proprietary funds*: Services for which Whiteside County Regional Office of Education No. 55 charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. Whiteside County Regional Office of Education No. 55's Enterprise Funds are the same as its business-type activities, but provide more detail and additional information, such as cash flows. Whiteside County Regional Office of Education No. 55 currently has one major Enterprise Fund, the Meeting the Challenge Workshops, along with other non-major funds.

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

3) *Fiduciary funds*: Whiteside County Regional Office of Education No. 55 is the trustee for assets that belong to others. These funds include the Agency Funds.

- Agency Funds - These are funds through which Whiteside County Regional Office of Education No. 55 administers and accounts for certain federal and/or state grants on behalf of others.

Whiteside County Regional Office of Education No. 55 is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. Whiteside County Regional Office of Education No. 55 excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

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

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of Whiteside County Regional Office of Education No. 55, assets exceeded liabilities by \$296,228 as of June 30, 2007.

A portion of Whiteside County Regional Office of Education No. 55's net assets (21%) reflects its investment in capital assets (e.g., buildings, furniture, and equipment), less any related debt used to acquire those assets that are still outstanding. Although Whiteside County Regional Office of Education No. 55's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Whiteside County Regional Office of Education No. 55's financial position is the product of several financial transactions including the net results of activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of Whiteside County Regional Office of Education No. 55's net assets for the fiscal years ended June 30, 2007 and 2006.

2007

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Current assets	\$ 280,718	\$ 15,884	\$ 296,602
Capital assets, net of accumulated depreciation	<u>63,605</u>	<u>-</u>	<u>63,605</u>
Total assets	<u>344,323</u>	<u>15,884</u>	<u>360,207</u>
Current liabilities	<u>61,963</u>	<u>2,016</u>	<u>63,979</u>
Net assets			
Invested in capital assets, net of related debt	63,605	-	63,605
Unrestricted	198,359	13,868	212,227
Restricted for teacher professional development	<u>20,396</u>	<u>-</u>	<u>20,396</u>
Total net assets	<u>\$ 282,360</u>	<u>\$ 13,868</u>	<u>\$ 296,228</u>

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

<u>2006</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Current assets	\$ 310,433	\$ 37,713	\$ 348,146
Capital assets, net of accumulated depreciation	<u>58,964</u>	<u>-</u>	<u>58,964</u>
Total assets	<u>369,397</u>	<u>37,713</u>	<u>407,110</u>
 Current liabilities	 <u>64,409</u>	 <u>1,710</u>	 <u>66,119</u>
 Net assets			
Invested in capital assets, net of related debt	58,964	-	58,964
Unrestricted	205,799	36,003	241,802
Restricted for teacher professional development	<u>40,225</u>	<u>-</u>	<u>40,225</u>
 Total net assets	 <u>\$ 304,988</u>	 <u>\$ 36,003</u>	 <u>\$ 340,991</u>

The largest portion of Whiteside County Regional Office of Education No. 55's net assets is unrestricted. Unrestricted net assets are the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements. Unrestricted net assets were \$212,227 for the year ended June 30, 2007. In addition, net assets related to the Institute Fund are considered restricted for teacher professional development.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

Changes in net assets. Whiteside County Regional Office of Education No. 55's total revenue for the fiscal year ended June 30, 2007 was \$1,341,700. The total cost of all programs and services was \$1,386,463. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2007 and 2006.

<u>2007</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ -	\$ 24,439	\$ 24,439
Operating grants and contributions	1,045,197	-	1,045,197
General revenues			
Local sources	60,593	1,069	61,662
On-behalf payments	<u>210,402</u>	<u>-</u>	<u>210,402</u>
Total revenues	<u>1,316,192</u>	<u>25,508</u>	<u>1,341,700</u>
Expenses:			
Instructional services			
Salaries and benefits	839,179	21,614	860,793
Purchased services	191,353	20,262	211,615
Supplies and materials	79,064	3,967	83,031
Capital outlay	11,236	1,800	13,036
Other objects	85	-	85
Depreciation and disposition losses	7,501	-	7,501
Administrative			
On-behalf payments	<u>210,402</u>	<u>-</u>	<u>210,402</u>
Total expenses	<u>1,338,820</u>	<u>47,643</u>	<u>1,386,463</u>
Change in net assets	<u>\$ (22,628)</u>	<u>\$ (22,135)</u>	<u>\$ (44,763)</u>

Operating grants and contributions account for 78% of the total revenue. Whiteside County Regional Office of Education No. 55's expenses primarily relate to instructional services, which account for 85% of the total expenses.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

<u>2006</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ -	\$ 36,475	\$ 36,475
Operating grants and contributions	1,017,803	-	1,017,803
General revenues			
Local sources	167,157	882	168,039
State sources	844	-	844
On-behalf payments	<u>212,174</u>	<u>-</u>	<u>212,174</u>
Total revenues	<u>1,397,978</u>	<u>37,357</u>	<u>1,435,335</u>
Expenses:			
Instructional services			
Salaries and benefits	817,518	2,320	819,838
Purchased services	242,844	21,648	264,492
Supplies and materials	74,665	5,050	79,715
Capital outlay	31,271	-	31,271
Payments to other governments	18,524	-	18,524
Depreciation and disposition losses	6,488	-	6,488
Administrative			
On-behalf payments	<u>212,174</u>	<u>-</u>	<u>212,174</u>
Total expenses	<u>1,403,484</u>	<u>29,018</u>	<u>1,432,502</u>
Change in net assets	<u>\$ (5,506)</u>	<u>\$ 8,339</u>	<u>\$ 2,833</u>

Operating grants and contributions account for 71% of the total revenue. Whiteside County Regional Office of Education No. 55's expenses primarily relate to instructional services, which account for 85% of the total expenses.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

Governmental Activities

Revenues for governmental activities were \$1,316,192 and \$1,397,978 and expenses were \$1,338,820 and \$1,403,484 for 2007 and 2006, respectively.

The following tables present the cost of Whiteside County Regional Office of Education No. 55's functional governmental activities. The tables also show each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and Whiteside County Regional Office of Education No. 55's residents by each of these functions.

<u>2007</u>	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instructional services		
Salaries and benefits	\$ 839,179	\$ (65,073)
Purchased services	191,353	(14,838)
Supplies and materials	79,064	(6,131)
Capital outlay	11,236	10,329
Other objects	85	(7)
Depreciation and disposition losses	7,501	(7,501)
Administrative		
On-behalf payments	<u>210,402</u>	<u>(210,402)</u>
Total expenses	<u>\$ 1,338,820</u>	<u>\$ (293,623)</u>
<u>2006</u>	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instructional services		
Salaries and benefits	\$ 817,518	\$ (115,242)
Purchased services	242,844	(34,233)
Supplies and materials	74,665	(10,525)
Capital outlay	31,271	(4,408)
Payments to other governments	18,524	(2,611)
Depreciation and disposition losses	6,488	(6,488)
Administrative		
On-behalf payments	<u>212,174</u>	<u>(212,174)</u>
Total expenses	<u>\$ 1,403,484</u>	<u>\$ (385,681)</u>

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

- The cost of all governmental activities was \$1,338,820 and \$1,403,484 for 2007 and 2006, respectively.
- Federal and state governments subsidized certain governmental activities with grants and contributions of \$1,045,197 and \$1,017,803 for 2007 and 2006, respectively.

Net cost of governmental activities (\$293,623), was financed by general revenues, which are made up of primarily local sources (\$60,593) and on-behalf payments (\$210,402) for 2007.

Net cost of governmental activities (\$385,681), was financed by general revenues, which are made up of primarily local and state sources (\$168,001) and on-behalf payments (\$212,174) for 2006.

Business-Type Activities

Revenues for business-type activities were \$25,508 and \$37,357 and expenses were \$47,643 and \$29,018 for 2007 and 2006, respectively. Whiteside County Regional Office of Education No. 55's business-type activities include the Meeting the Challenge Workshops and other non-major funds. Revenues of these activities were comprised of charges for service.

INDIVIDUAL FUND ANALYSIS

As *previously noted*, Whiteside County Regional Office of Education No. 55 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of Whiteside County Regional Office of Education No. 55 as a whole is reflected in its governmental funds, as well. As Whiteside County Regional Office of Education No. 55 completed the year, its governmental funds reported a combined fund balance of \$218,755, below last year's ending fund balances of \$246,024.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

Governmental Fund Highlights

The General Fund's fund balance decreased from \$81,261 in 2006 to \$50,806 in 2007. The main reason for the decrease is due to expenditures above revenues to support various programs offered by the Regional Office.

The Institute Fund's fund balance decreased from \$40,225 in 2006 to \$20,396 in 2007. The main reason for the decrease is due to supplemental funding for individuals providing staff development to local districts. Due to the General Operations state grant being reduced by half, other sources of revenue have to be used to provide services to local districts.

The Education Fund's fund balance increased from \$109,883 in 2006 to \$131,691 in 2007. The Education Fund is made up of grants that the Regional Office receives and these can vary greatly from year to year as some programs are discontinued while others see a funding increase. Over the various programs that make up the fund, total revenues exceeded expenditures by \$21,808 thus increasing the fiscal year 2006 fund balance from \$109,883 to \$131,691 in fiscal year 2007.

Proprietary Fund Highlights

Proprietary Fund net assets decreased from \$36,003 at June 30, 2006 to \$13,868 at June 30, 2007, representing a decrease of approximately 61%. The reason for the decrease is due to an increase in salaries paid from the fund due to a decrease in state support.

BUDGETARY HIGHLIGHTS

Whiteside County Regional Office of Education No. 55 is not required to create a budget for overall operations. They are required to prepare budgets for most of the grants they receive. Over the course of the year, Whiteside County Regional Office of Education No. 55 amended several of the grant budgets within the Education Fund. Budgets for grant programs are adjusted because of an increase or decrease in funding due to changes at the state level or to better allocate funds received to meet the needs of the program.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

Capital Assets

As of June 30, 2007, Whiteside County Regional Office of Education No. 55 had invested \$63,605 in capital assets, including furniture and equipment. This amount was \$4,641 higher when compared to 2006. Total depreciation expense for the year was \$7,501.

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

	Governmental Activities
Furniture and equipment	\$ 8,627
Building improvement	54,978
Total capital assets	\$ 63,605

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2006.

	Governmental Activities
Furniture and equipment	\$ 500
Building improvement	58,464
Total capital assets	\$ 58,964

Additional information on Whiteside County Regional Office of Education No. 55's capital assets can be found in Note 7 on page 55 of this report.

ECONOMIC FACTORS BEARING ON WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55'S FUTURE

At the time these financial statements were prepared and audited, Whiteside County Regional Office of Education No. 55 was aware of several existing circumstances that could significantly affect its financial health in the future:

Funding for local, state, and federal grants continues to fluctuate. There was an increase in funding for School Services during this year of \$11,246. However, the current year funding amount of \$69,861 falls well below the \$141,728 that was received in the past. It is important to understand that this increase in School Services in no way matches the increased cost of providing the required initiatives.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

**CONTACTING WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55'S
FINANCIAL MANAGEMENT**

This financial report is designed to provide Whiteside County Regional Office of Education No. 55's citizens, taxpayers, and customers with a general overview of Whiteside County Regional Office of Education No. 55's finances and to demonstrate Whiteside County Regional Office of Education No. 55's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Whiteside County Regional Office of Education No. 55, 1001 West 23rd Street, Sterling, Illinois 61081.

BASIC FINANCIAL STATEMENTS

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
STATEMENT OF NET ASSETS
June 30, 2007

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 236,303	\$ 21,821	\$ 258,124
Due from other governments	38,478	-	38,478
Due from other funds	5,937	(5,937)	-
Total current assets	280,718	15,884	296,602
Non-current assets:			
Capital assets, being depreciated, net	63,605	-	63,605
Total assets	344,323	15,884	360,207
LIABILITIES			
Current liabilities:			
Accounts payable	31,417	2,016	33,433
Due to other governments	1,798	-	1,798
Deferred revenue	28,748	-	28,748
Total current liabilities	61,963	2,016	63,979
NET ASSETS			
Investment in capital assets	63,605	-	63,605
Unrestricted	198,359	13,868	212,227
Restricted for teacher professional development	20,396	-	20,396
Total net assets	\$ 282,360	\$ 13,868	\$ 296,228

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 STATEMENT OF ACTIVITIES
 Year Ended June 30, 2007

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary government:						
Governmental activities:						
Education:						
Salaries and benefits	\$ 839,179	\$ -	\$ 774,106	\$ (65,073)	\$ -	\$ (65,073)
Purchased services	191,353	-	176,515	(14,838)	-	(14,838)
Supplies and materials	79,064	-	72,933	(6,131)	-	(6,131)
Capital outlay	11,236	-	21,565	10,329	-	10,329
Other objects	85	-	78	(7)	-	(7)
Depreciation	7,501	-	-	(7,501)	-	(7,501)
Administrative:						
On-behalf payments	210,402	-	-	(210,402)	-	(210,402)
Total governmental activities	1,338,820	-	1,045,197	(293,623)	-	(293,623)
Business-type activities:						
Professional development	47,643	24,439	-	-	(23,204)	(23,204)
Total primary government	\$ 1,386,463	\$ 24,439	\$ 1,045,197	(293,623)	(23,204)	(316,827)
General revenues:						
Local sources				60,593	1,069	61,662
On-behalf payments				210,402	-	210,402
Total general revenue				270,995	1,069	272,064
CHANGES IN NET ASSETS				(22,628)	(22,135)	(44,763)
NET ASSETS, BEGINNING OF YEAR				304,988	36,003	340,991
NET ASSETS, END OF YEAR				\$ 282,360	\$ 13,868	\$ 296,228

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2007

	Special Revenue				Total Governmental Funds
	<u>General Fund</u>	<u>Institute Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	
ASSETS					
Cash and cash equivalents	\$ 34,448	\$ 22,177	\$ 163,816	\$ 15,862	\$ 236,303
Due from other governments	9,888	-	28,590	-	38,478
Due from other funds	7,265	-	-	-	7,265
TOTAL ASSETS	<u>\$ 51,601</u>	<u>\$ 22,177</u>	<u>\$ 192,406</u>	<u>\$ 15,862</u>	<u>\$ 282,046</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 312	\$ 1,679	\$ 29,426	\$ -	\$ 31,417
Due to other governments	483	102	1,213	-	1,798
Due to other funds	-	-	1,328	-	1,328
Deferred revenue	-	-	28,748	-	28,748
Total liabilities	<u>795</u>	<u>1,781</u>	<u>60,715</u>	<u>-</u>	<u>63,291</u>
FUND BALANCES					
Unreserved, reported in:					
General fund	50,806	-	-	-	50,806
Special revenue funds	-	20,396	131,691	15,862	167,949
Total fund balances	<u>50,806</u>	<u>20,396</u>	<u>131,691</u>	<u>15,862</u>	<u>218,755</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 51,601</u>	<u>\$ 22,177</u>	<u>\$ 192,406</u>	<u>\$ 15,862</u>	<u>\$ 282,046</u>

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2007

Total fund balances of governmental funds (page 31)	\$ 218,755
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>63,605</u>
Net assets of governmental activities (page 29)	\$ <u>282,360</u>

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2007

	<u>Special Revenue</u>				<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Institute Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	
REVENUES:					
Local sources	\$ 27,539	\$ 16,393	\$ 34,343	\$ 7,472	\$ 85,747
State sources	74,458	-	655,453	16,325	746,236
Federal sources	-	-	273,807	-	273,807
On-behalf payments	210,402	-	-	-	210,402
Total revenues	<u>312,399</u>	<u>16,393</u>	<u>963,603</u>	<u>23,797</u>	<u>1,316,192</u>
EXPENDITURES:					
Current:					
Education:					
Salaries and benefits	83,186	25,150	716,826	14,017	839,179
Purchased services	19,356	13,462	153,339	5,196	191,353
Supplies and materials	4,878	265	71,159	2,762	79,064
Capital outlay	5,360	-	17,403	615	23,378
Other objects	85	-	-	-	85
On-behalf payments	210,402	-	-	-	210,402
Total expenditures	<u>323,267</u>	<u>38,877</u>	<u>958,727</u>	<u>22,590</u>	<u>1,343,461</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,868)</u>	<u>(22,484)</u>	<u>4,876</u>	<u>1,207</u>	<u>(27,269)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	2,655	19,587	-	22,242
Transfers out	(19,587)	-	(2,655)	-	(22,242)
Total other financing sources (uses)	<u>(19,587)</u>	<u>2,655</u>	<u>16,932</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(30,455)	(19,829)	21,808	1,207	(27,269)
FUND BALANCE, BEGINNING OF YEAR	<u>81,261</u>	<u>40,225</u>	<u>109,883</u>	<u>14,655</u>	<u>246,024</u>
FUND BALANCE, END OF YEAR	<u>\$ 50,806</u>	<u>\$ 20,396</u>	<u>\$ 131,691</u>	<u>\$ 15,862</u>	<u>\$ 218,755</u>

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

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
June 30, 2007**

Net change in fund balances (page 33) \$ (27,269)

Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as
expenditures. However, in the Statement of
Activities the cost of those assets is allocated
over their estimated useful lives and reported
as depreciation expense.

Capital outlay	\$	12,142	
Depreciation and disposition losses		<u>(7,501)</u>	<u>4,641</u>

Change in net assets of governmental activities (page 30) \$ (22,628)

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2007

	Business-Type Activities - Enterprise Funds		Total Proprietary Funds
	Meeting the Challenge Workshops	Other Nonmajor Funds	
ASSETS			
Current assets:			
Cash (overdrafts) and cash equivalents	\$ 22,349	\$ (528)	\$ 21,821
LIABILITIES			
Current liabilities:			
Accounts payable	210	1,806	2,016
Due to other funds	-	5,937	5,937
Total liabilities	210	7,743	7,953
NET ASSETS			
Unrestricted	\$ 22,139	\$ (8,271)	\$ 13,868

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2007

	Business-Type Activities - Enterprise Funds		Total Proprietary Funds
	<u>Meeting the Challenge Workshops</u>	<u>Other Nonmajor Funds</u>	
OPERATING REVENUES:			
Local sources	\$ 11,250	\$ 13,189	\$ 24,439
OPERATING EXPENSES:			
Salaries and benefits	6,808	14,806	21,614
Purchased services	8,277	11,985	20,262
Supplies and materials	610	3,357	3,967
Capital outlay	1,800	-	1,800
Total operating expenses	<u>17,495</u>	<u>30,148</u>	<u>47,643</u>
OPERATING LOSS	(6,245)	(16,959)	(23,204)
NONOPERATING REVENUES			
Interest revenue	<u>819</u>	<u>250</u>	<u>1,069</u>
LOSS AFTER NONOPERATING REVENUES	(5,426)	(16,709)	(22,135)
NET ASSETS, BEGINNING OF YEAR	<u>27,565</u>	<u>8,438</u>	<u>36,003</u>
NET ASSETS, END OF YEAR	<u>\$ 22,139</u>	<u>\$ (8,271)</u>	<u>\$ 13,868</u>

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended June 30, 2007

	<u>Business-Type Activities - Enterprise Funds</u>		<u>Total Proprietary Funds</u>
	<u>Meeting the Challenge Workshops</u>	<u>Other Nonmajor Funds</u>	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts for workshops and services	\$ 11,250	\$ 13,189	\$ 24,439
Payments to suppliers and providers of goods and services	(10,687)	(15,036)	(25,723)
Payments to employees	<u>(6,808)</u>	<u>(14,806)</u>	<u>(21,614)</u>
Net cash used in operating activities	(6,245)	(16,653)	(22,898)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest	<u>819</u>	<u>250</u>	<u>1,069</u>
NET DECREASE IN CASH (OVERDRAFTS) AND CASH EQUIVALENTS	(5,426)	(16,403)	(21,829)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>27,775</u>	<u>15,875</u>	<u>43,650</u>
CASH (OVERDRAFTS) AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 22,349</u>	<u>\$ (528)</u>	<u>\$ 21,821</u>
Reconciliation of operating income to net cash used in operating activities:			
Operating loss	\$ (6,245)	\$ (16,959)	\$ (23,204)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Effects of increase in liabilities:			
Accounts payable	<u>-</u>	<u>306</u>	<u>306</u>
Net cash used in operating activities	<u>\$ (6,245)</u>	<u>\$ (16,653)</u>	<u>\$ (22,898)</u>

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended June 30, 2007

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ <u>1,506</u>
LIABILITIES	
Due to other governments	\$ <u>1,506</u>

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

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Whiteside County Regional Office of Education No. 55 operates under the School Code (105 ILCS 5/3 and 5/3A). A Regional Superintendent of Schools serves as chief administrative officer of the Regional Office of Education No. 55 and is elected pursuant to 105 ILCS 5/3 and 5/3A of the School Code. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

The Whiteside County Regional Office of Education No. 55's reporting entity includes all related organizations for which the Regional Office of Education No. 55 exercises oversight responsibility in accordance with Statement No. 14 of the Governmental Accounting Standards Board.

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

The Superintendent has developed criteria to determine whether outside agencies with activities which benefit the citizens served by the Regional Office of Education No. 55 should be included within its financial reporting entity. The criteria includes, but is not limited to whether the Superintendent (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (i.e., financial budget approval, management of assets, etc.). The Superintendent has determined that no outside agency meets the above criteria and, therefore, no agency has been included as a component unit in the financial statements. In addition, the Superintendent is not aware of any entity which would exercise such oversight which would result in the Regional Office of Education No. 55 being considered a component unit of the entity.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the activities of Whiteside County Regional Office of Education No. 55. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by intergovernmental and local revenues.

The Statement of Net Assets presents Whiteside County Regional Office of Education No. 55's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

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

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

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

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

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

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Whiteside County Regional Office of Education No. 55 reports the following major governmental funds:

The General Fund is the operating fund of the Whiteside County Regional Office of Education No. 55. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The following funds are the general funds of the Whiteside County Regional Office of Education No. 55.

ROE/ISC Operations Fund - this fund accounts for the state grant that provides the funding for the Regional Office of Education No. 55.

General Operations Fund - this fund accounts for the monies received and expenditures related to general administration of the Regional Office.

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

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

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

Administrator's Academy - this program is used for providing staff development training to administrators in school improvement.

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

Title I - School Improvement & Accountability - this program assists schools that qualify for school-wide planning through staff development training.

Title II - Eisenhower - Leadership Grants - this program provides leadership workshops.

Mathematics & Science Partnerships - this program supports the Illinois Math & Science Programs.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Vocational Education - Instructor Practicum - this program places vocational teachers and counselors in worksites during the summer to expand their business experience.

Retired Professional Service Corps - this program places retired educators in schools to assist with special projects.

Adult Education and Family Literacy Grant - this program provides for education and literacy programs for adults.

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

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

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

School to Work (DOL) - this program supports the School to Work Program.

ROE/ISC Technology - this program is designed to support learning technology services to the local school districts.

Even Start - this program is for developing and operating programs to promote family literacy.

Early Childhood Parenting Program - this program supports the Early Childhood Block Program.

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

Learning Standards - this program is associated with providing services and funding activities as specified in the Illinois Learning Standards Implementation Plan.

Early Childhood - Block Grant (0-3) - this program supports the Early Childhood Block Program for ages 0-3.

Early Childhood - Block Grant (3-5) - this program supports the Early Childhood Block Program for ages 3-5.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Early Childhood - Block Grant (Prevention Initiative) - this program supports the Early Childhood Block Program for prevention.

Illinois Century Network - this program supports the Department of Central Management Services' Illinois Century Network program.

Tobacco Settlement Recovery Fund/Prevention - this program is used for tobacco prevention education.

Early Childhood - Block Grant (3705-50) - this program supports the Early Childhood Block Prekindergarten At-risk Program.

Reading Improvement Statewide/Professional Development - this program supports the Reading Improvement Program.

Title IV - Community Service - this program is used to support teachers in the use of service to the community as a teaching method.

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

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

Education Outreach Program - this program is associated with workforce investment activities that are designed to increase educational and occupational skill attainment by participants.

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

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

School Breakfast Program - this program supports the School Breakfast program.

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

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Education Technology Grant - this program assists school districts in planning for, implementing, assessing results and educating school staff in the use of technology and telecommunications in curricular, instructional and administrative functions.

Secretary of State RESPRO - this program provides support to schools and school districts which are on the academic watch list.

English Language Learners - this program provides education to people learning the English language.

Sterling Truants Alternative Program - this program assists in prevention of truancy within the Alternative School in the Sterling area.

Kindergarten Standards - this program is used to educate teachers in the areas they teach on a daily basis.

The Regional Office of Education No. 55 reports the following nonmajor governmental funds:

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

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

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

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

Technology Training - this fund accounts for receipts and expenses by the Regional Superintendent for technology training workshops.

Learning Technology Center - this fund accounts for receipts and expenses for establishing a statewide support system for information, professional development, technical assistance, network design, technology planning, leadership, and information exchange.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Regional Office of Education No. 55 reports the following major proprietary fund:

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education No. 55 on a cost reimbursement basis are reported.

Meeting the Challenge Workshops - used to account for the workshop fees and expenses of the Regional Office of Education No. 55.

Other Nonmajor Funds - used to account for revenues and expenses related to the following funds:

Computer Workshops - this fund accounts for workshops conducted by the Regional Office of Education No. 55 related to information technology and computer literacy.

Courses Fund - this fund accounts for receipts from area teachers and payments made to Northern Illinois University for registration in courses offered locally by the University.

Non-Grant Workshops - this fund accounts for the conducting of series of non-grant workshops for various school districts.

IARSS Website Development - this fund accounts for local revenues and disbursements related to the Illinois Association of Regional Superintendent of School website development program.

Miscellaneous Local Fees - this fund accounts for various programs and services performed for local school districts. Local fees for spelling bees, laminate/books, computer repair, and ISS dinner.

The Regional Office of Education No. 55 also reports the following agency funds:

Agency Funds are used to account for assets held by the Regional Office of Education No. 55 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds include the following:

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

Payroll Fund - this fund accounts for payroll costs.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Public Aid Fund - this fund is used to account for funds received from the State for public aid recipients whose children are truants. The money is given to these public aid recipients after meeting with the Regional Superintendent's staff.

The school district boards within the Regional Office of Education No. 55 have signed formal agreements that allow the Regional Office of Education No. 55 to retain any interest earned during the year.

Measurement Focus and Basis of Accounting

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

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

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Whiteside County Regional Office of Education No. 55.

Whiteside County Regional Office of Education No. 55 records on-behalf payments made by the State to the Teachers' Retirement System as revenue and expenditures.

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

Under the terms of grant agreements, Whiteside County Regional Office of Education No. 55 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is Whiteside County Regional Office of Education No. 55's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The proprietary funds of Whiteside County Regional Office of Education No. 55 apply all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Whiteside County Regional Office of Education No. 55's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Whiteside County Regional Office of Education No. 55 maintains its financial records on the cash basis. The financial statements of Whiteside County Regional Office of Education No. 55 are prepared by making memorandum adjusting entries to the cash basis financial records.

Assets, Liabilities and Fund Equity

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

Cash and cash equivalents - The cash and cash equivalent balances of Whiteside County Regional Office of Education No. 55 are valued at cost.

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

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

Capital assets - Capital assets, which include property, furniture and equipment, are reported in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by Whiteside County Regional Office of Education No. 55 as assets with an initial, individual cost in excess of \$5,000 and estimated useful lives in excess of two years. Capital assets are depreciated using the sum-of-the-years method over 3-40 years.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated absences - Non-exempt, full-time employees earn vacation time according to their length of service; 10 days per year for the first four years of service and 15 days per year starting with the fifth year of service. Vacation time is prorated for employees working between 16 and 35 hours per week. Temporary employees, non-exempt employees who work less than 16 hours per week and exempt employees do not earn vacation days. Vacation time must be used within the same project year in which it was earned and unused vacation time at the end of a project year is forfeited. All projects in which salary expense is incurred have a year-end consistent with the Whiteside County Regional Office of Education No. 55's year-end of June 30, and therefore, no liability is accrued.

Employees receive 10 sick days and 2 personal business days annually and the unused portion is accumulated and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay and therefore, no liability is accrued.

Deferred Revenues - The Regional Office of Education reports unearned deferred revenue in the governmental fund Balance Sheet. Deferred and unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period.

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

Net assets present the difference between assets and liabilities in the Statement of Net Assets. Net assets of the Regional Office of Education are classified as follows:

Invested in Capital Assets - represents the Regional Office of Education's total investment in capital assets. There is no outstanding debt related to these assets at this time.

Unrestricted Net Assets - represent resources used for transactions relating to the general operations of the ROE and may be used at the discretion of management to meet expenses for any purpose.

Restricted Net Assets - represents net assets that are restricted due to constraints placed on the net asset use that are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting

The Whiteside County Regional Office of Education No. 55 did not formally adopt a budget for the year ended June 30, 2007 and is not legally required to do so. The Illinois State Board of Education and other federal grantors require budgets for certain state and federal programs. Funds with budgets include the ROE/ISC Operations, Regional Safe Schools, Truants Alternative/Optional Education, Even Start, Early Childhood Block Grant (0-3), Early Childhood - Block Grant (3-5), Secretary of State Family Literacy Grant, and English Language Learners.

NOTE 2 - INTERGOVERNMENTAL AGREEMENT

On August 17, 1998, Whiteside County Regional Office of Education No. 55 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 Intergovernmental Agreement is known as the Lee/Ogle/Whiteside Intergovernmental Agreement. Membership is made up of the following Regional Offices of Education: Whiteside County Regional Office of Education No. 55 and Lee/Ogle Counties Regional Office of Education No. 47. The Lee/Ogle Counties Regional Office of Education No. 47 was designated as Administrative Agent.

Whiteside County Regional Office of Education No. 55 flows their state and federal funds for regional services to Lee/Ogle Counties Regional Office of Education No. 47 for administration and performance of accounting procedures that conform to all applicable rules and regulations of the Illinois State Board of Education.

The following programs were assigned to the Lee/Ogle/Whiteside Intergovernmental Agreement: Administrator's Academy, Scientific Literacy, Title I - School Improvement and Accountability, Title II - Eisenhower Leadership Grants, Career Awareness and Development, and Learning Standards.

NOTE 3 - CASH AND CASH EQUIVALENTS

The deposit of Whiteside County Regional Office of Education No. 55 monies is governed by the provisions of the Illinois Compiled Statutes.

Deposits

At June 30, 2007, the carrying amount of Whiteside County Regional Office of Education No. 55's deposits was \$259,630 and the bank balance was \$293,248.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, Whiteside County Regional Office of Education No. 55's deposits may not be returned. Whiteside County Regional Office of Education No. 55 does not have a deposit policy for custodial credit risk. As of June 30, 2007, all of Whiteside County Regional Office of Education No. 55 's deposits were either covered by FDIC insurance or covered by collateral held by the financial institution in Whiteside County Regional Office of Education No. 55's name.

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

	<u>Carrying Amount</u>
Cash - Primary Government	\$ 236,303
Cash - Enterprise Fund	21,821
Cash - Agency	<u>1,506</u>
Total	<u>\$ 259,630</u>

NOTE 4 - ON-BEHALF PAYMENTS

Salaries of the Regional Superintendent and his assistant are paid by the State of Illinois. All other salaries are paid by Whiteside County. Pension plan contributions associated with these salaries are also paid respectively, by the State of Illinois and Whiteside County.

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

Regional Superintendent - salary	\$ 84,737
Regional Superintendent - benefits (includes state paid insurance)	11,502
Assistant Regional Superintendent - salary	76,263
Assistant Regional Superintendent - benefits (includes state paid insurance)	15,798
TRS on-behalf payments	<u>22,102</u>
Total on-behalf payments	<u>\$ 210,402</u>

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

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 5 - EMPLOYEE BENEFIT PLAN

Whiteside County Regional Office of Education No. 55's employees are covered under the Illinois Municipal Retirement Fund. Contributions to the Fund are made by Whiteside County and the Whiteside County Regional Office of Education No. 55 through grant monies on behalf of the Whiteside County Regional Office of Education No. 55 staff employees and grant coordinators.

Whiteside County is a participating member of the Illinois Municipal Retirement Fund whose coverage includes all Whiteside County Regional Office of Education No. 55 employees who:

- a. Occupy a job normally requiring 600 hours or more per year;
- b. Are paid on a regular payroll from Whiteside County or Whiteside County Regional Office of Education No. 55 funds;
- c. Were under age sixty when first entering employment; and
- d. Are not covered by another state created retirement system for the same service.

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

The Regional Superintendent and Assistant Regional Superintendent of Whiteside County Regional Office of Education No. 55 are paid by the State of Illinois. Certain staff employees of Whiteside County Regional Office of Education No. 55's office are employed and paid by Whiteside County (other support staff and grant coordinators are paid by Whiteside County Regional Office of Education No. 55 through grant monies). Whiteside County Regional Office of Education No. 55 has no separate employee benefit plan.

Illinois Municipal Retirement Fund

Whiteside County Regional Office of Education No. 55's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplemental information. The report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 5 - EMPLOYEE BENEFIT PLAN (CONTINUED)

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Whiteside County Regional Office of Education No. 55 is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 11.29% percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2006 was 5 years.

For December 31, 2006, Whiteside County Regional Office of Education No. 55's annual pension cost of \$52,103 was equal to Whiteside County Regional Office of Education No. 55's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2006 actuarial valuation were based on the 2002-2004 experience study.

TREND INFORMATION

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/06	\$ 52,103	100%	\$ -
12/31/05	49,109	100%	-
12/31/04	69,556	100%	-
12/31/03	48,215	100%	-
12/31/02	40,972	100%	-
12/31/01	45,830	100%	-
12/31/00	33,537	100%	-
12/31/99	28,778	100%	-
12/31/98	26,221	100%	-
12/31/97	23,633	100%	-

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 6 - RETIREMENT PLANS

Teachers' Retirement System of the State of Illinois

The Regional Office of Education participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the governor's approval. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

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, 2007, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The Regional Office of Education No. 55 THIS Fund contribution was 0.6 percent during the year ended June 30, 2007, and the member THIS Fund health insurance contribution was 0.80 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education No. 55's TRS-covered employees.

- **On-behalf Contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 55. For the year ended June 30, 2007, the State of Illinois contributions were based on 9.78 percent of creditable earnings, and the Regional Office of Education No. 55 recognized revenue and expenditures of \$22,102 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2006, and June 30, 2005, the State of Illinois contribution rates as percentages of creditable earnings were 7.06 percent (\$24,795) and 11.76 percent (\$25,901), respectively.

The state contributions to TRS for the years ended June 30, 2007 and June 30, 2006 were based on dollar amounts specified by the statute and were not actuarially determined. The state contributions for the year ended June 30, 2005 were based on an actuarial formula.

Whiteside County Regional Office of Education No. 55 makes other types of employer contributions directly to TRS.

- **2.2 Formula Contributions.** Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2007 were \$1,364. Contributions for the years ending June 30, 2006, and June 30, 2005, were \$1,530 and \$1,277, respectively.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 6 - RETIREMENT PLANS (CONTINUED)

- **Federal and Trust Fund Contributions.** When TRS members are paid from federal and trust funds administered by the Regional Office of Education No. 55, there is a statutory requirement for the Regional Office of Education No. 55 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions paid from federal and trust funds will be the same as the state contribution rate for TRS.

For the year ended June 30, 2007, the employer pension contribution was 9.78 percent of salaries paid from federal and trust funds. For the year ended June 30, 2006, the employer pension contribution was 7.06 percent of salaries paid from those funds. For the year ended June 30, 2005, the employer pension contribution was 10.5 percent of salaries paid from those funds. For the year ended June 30, 2007, salaries totaling \$43,509 were paid from federal and trust funds that required employer contributions of \$4,255. For the years ended June 30, 2006, and June 30, 2005, required contributions were \$4,932 and \$4,384, respectively.

- **Early Retirement Option.** The Regional Office of Education No. 55 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires. Under Public Act 94-0004 a "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies in the Pipeline ERO). Under the ERO program that expired on June 30, 2005, and the Pipeline ERO, the maximum employer contribution is 100 percent of the member's highest salary used in the final average salary calculation. Under the Modified ERO, the maximum employer contribution is 117.5 percent. Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement. For the year ended June 30, 2006, June 30, 2005, and June 30, 2004, the Regional Office of Education No. 55 paid no employer contributions under the Early Retirement Option.
- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two new employer contributions to TRS.
 - If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases up to 6 percent. For the years ended June 30, 2007 and June 30, 2006, the Regional Office of Education No. 55 did not make any contributions to TRS for salary increases in excess of 6 percent.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 6 - RETIREMENT PLANS (CONTINUED)

- If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.60 percent of salary during the year ended June 30, 2007). For the years ended June 30, 2007 and June 30, 2006, the Regional Office of Education No. 55 did not make any contributions to TRS for sick leave days granted in excess of the normal annual allotment.

TRS financial information, an explanation of TRS' benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2006. The report for the year ended June 30, 2007, is expected to be available in late 2007. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at www.trs.state.il.us.

NOTE 7 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2007 is as follows:

	<u>Balance June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
Governmental activities:				
Furniture and equipment	\$ 84,298	\$ 12,142	\$ -	\$ 96,440
Building improvements	92,279	-	-	92,279
	176,577	12,142	-	188,719
Less accumulated depreciation	(117,613)	(7,501)	-	(125,114)
Total capital assets, net	<u>\$ 58,964</u>	<u>\$ 4,641</u>	<u>\$ -</u>	<u>\$ 63,605</u>

Depreciation expense was charged as follows:

Governmental activities:

Education:

Depreciation and disposition losses \$ 12,142

NOTE 8 - DISPOSITION OF DISTRIBUTIVE FUND INTEREST

The school district boards within the Regional Office of Education No. 55 have signed formal agreements that allow the Regional Office of Education No. 55 to retain any interest earned during the year.

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 9 - DEFICIT FUND BALANCES

At June 30, 2007, the following funds had deficit fund balances. They are expected to correct themselves in 2008, through payments from the State and transfers from local funds.

General Fund	
ROE/ISC Operations	\$ (19)
Education Fund	
Administrator's Academy	(78)
Scientific Literacy	(159)
Adult Education and Family Literacy Grant	(6,038)
Career Awareness and Development	(693)
ROE/ISC School Improvement Grant	(745)
Early Childhood - Block Grant (0-3)	(1)
Early Childhood - Block Grant (3-5)	(582)
Title IV - Community Service	(65)
Education Outreach Program	(2,848)
State Free Lunch & Breakfast	(703)
Secretary of State RESPRO	(1,503)
Kindergarten Standards	(8)
Nonmajor Special Revenue Funds	
Learning Technology Center	(1,003)
Nonmajor Proprietary Funds	
Non-Grant Workshops	(22,472)

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 10 - DUE FROM/TO OTHER GOVERNMENTS

The Whiteside County Regional Office of Education No. 55's General, Special Revenue, and Agency Funds have funds due to and due from various other governmental units which consist of the following:

Due from other governments		
General fund		
Local governments	\$	9,888
Education fund		
Illinois State Board of Education		<u>28,590</u>
Total due from other governments	\$	<u>38,478</u>
Due to other governments		
General fund		
Local governments	\$	483
Institute fund		
Local School Districts		102
Education fund		
Illinois State Board of Education		1,213
Agency fund		
Local governments		<u>1,506</u>
Total due to other governments	\$	<u>3,304</u>

NOTE 11 - DUE TO/FROM OTHER FUNDS

Interfund receivables and payables at June 30, 2007 were:

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
General fund		
General operations	\$ -	\$ 7,265
Education fund		
Career Awareness and Development	580	-
ROE/ISC School Improvement Grant	748	-
Proprietary fund		
Non-Grant Workshops	5,528	-
Miscellaneous local fees	<u>409</u>	<u>-</u>
Total	\$ <u>7,265</u>	\$ <u>7,265</u>

**WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 12 - TRANSFERS

The detail of interfund transfers for the year ended June 30, 2007 is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund		
General Operations	\$ -	\$ 19,587
Institute Fund	2,655	-
Education fund		
Vocational Education – Instructor Practicum	-	636
Career Awareness and Development	-	786
ROE/ISC School Improvement Grant	-	858
Learning Standards	-	375
Education Technology Grant	<u>19,587</u>	<u>-</u>
Total	<u>\$ 22,242</u>	<u>\$ 22,242</u>

NOTE 13 - RISK MANAGEMENT

Whiteside County Regional Office of Education No. 55 is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. Whiteside County Regional Office of Education No. 55 assumes liability for any deductibles and claims in excess of coverage limitations. There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the year.

NOTE 14 - NEW PRONOUNCEMENT

In 2007, Whiteside County Regional Office of Education No. 55 adopted Governmental Accounting Standards Board (GASB) Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. The Regional Office of Education implemented this standard during the current year; however, it does not have a significant impact on the financial statements.

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

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

WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
SCHEDULE OF FUNDING PROGRESS -
ILLINOIS MUNICIPAL RETIREMENT FUND
 (Unaudited)
 June 30, 2007

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/06	\$ 712,955	\$ 764,833	\$ 51,878	93.22%	\$ 461,497	11.24%
12/31/05	616,091	664,230	48,139	92.75%	437,302	11.01%
12/31/04	511,793	568,999	57,206	89.95%	364,550	15.69%
12/31/03	413,129	490,775	77,646	84.18%	383,880	20.23%
12/31/02	345,430	427,798	82,368	80.75%	412,193	19.98%
12/31/01	295,245	353,411	58,166	83.54%	444,091	13.10%
12/31/00	218,736	248,712	29,976	87.95%	339,098	8.84%
12/31/99	157,476	188,504	31,028	83.54%	280,767	11.05%
12/31/98	105,282	137,503	32,221	76.57%	247,833	13.00%
12/31/97	65,757	98,405	32,648	66.82%	242,796	13.45%

On a market value basis, the actuarial value of assets as of December 31, 2006 is \$757,390. On a market basis, the funded ratio would be 99.03%.

***Digest of Changes**

The actuarial assumptions used to determine the actuarial accrued liability for 2006 are based on the 2002-2004 Experience Study. The principal changes were:

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

SLEP Member contribution rate changed from 6.50% to 7.50% effective June 1, 2006.

SUPPLEMENTAL INFORMATION

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND ACCOUNTS
 June 30, 2007

	<u>ROE/ISC</u> <u>Operations</u>	<u>General</u> <u>Operations</u>	<u>Total</u>
ASSETS			
Cash (overdrafts) and cash equivalents	\$ (19)	\$ 34,467	\$ 34,448
Due from other governments	-	9,888	9,888
Due from other funds	-	7,265	7,265
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ (19)	\$ 51,620	\$ 51,601
LIABILITIES AND FUND BALANCES (DEFICIT)			
LIABILITIES			
Accounts payable	\$ -	\$ 312	\$ 312
Due to other governments	-	483	483
Total liabilities	-	795	795
	<hr/>	<hr/>	<hr/>
FUND BALANCES (DEFICIT), UNRESERVED	(19)	50,825	50,806
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT), UNRESERVED	\$ (19)	\$ 51,620	\$ 51,601
	<hr/>	<hr/>	<hr/>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
Year Ended June 30, 2007

	<u>ROE/ISC</u> <u>Operations</u>	<u>General</u> <u>Operations</u>	<u>Totals</u>
REVENUES:			
Local sources	\$ 2	\$ 27,537	\$ 27,539
State sources	69,861	4,597	74,458
On-behalf payments	210,402	-	210,402
Total revenues	<u>280,265</u>	<u>32,134</u>	<u>312,399</u>
EXPENDITURES:			
Current:			
Education:			
Salaries	58,742	13,474	72,216
Benefits	9,554	1,416	10,970
Purchased services	1,559	17,797	19,356
Supplies and materials	-	4,878	4,878
Capital outlay	-	5,360	5,360
Other objects	-	85	85
On-behalf payments	210,402	-	210,402
Total expenditures	<u>280,257</u>	<u>43,010</u>	<u>323,267</u>
EXCESS (DEFICIENCY) OF REVENUES			
 OVER (UNDER) EXPENDITURES	8	(10,876)	(10,868)
OTHER FINANCING SOURCES (USES)			
Transfer out	-	(19,587)	(19,587)
NET CHANGE IN FUND BALANCE			
 (DEFICIT)	8	(30,463)	(30,455)
FUND BALANCE (DEFICIT),			
 UNRESERVED,			
 BEGINNING OF YEAR	<u>(27)</u>	<u>81,288</u>	<u>81,261</u>
FUND BALANCE (DEFICIT),			
 UNRESERVED, END OF YEAR	<u>\$ (19)</u>	<u>\$ 50,825</u>	<u>\$ 50,806</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND ACCOUNTS
 Year Ended June 30, 2007

SCHEDULE 3

	ROE/ISC Operations Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Local sources	\$ -	\$ -	\$ 2	\$ 2
State sources	69,861	69,861	69,861	-
Total revenues	69,861	69,861	69,863	2
EXPENDITURES:				
Current:				
Education:				
Salaries	59,194	59,194	58,742	452
Benefits	9,419	9,419	9,554	(135)
Purchased services	1,248	1,248	1,559	(311)
Total expenditures	69,861	69,861	69,855	6
NET CHANGE IN FUND BALANCES	\$ -	\$ -	8	\$ 8
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			(27)	
FUND BALANCE (DEFICIT), END OF YEAR			\$ (19)	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2007

	<u>Administrator's Academy</u>	<u>Scientific Literacy</u>	<u>Title I - School Improvement & Accountability</u>	<u>Title II - Eisenhower - Leadership Grants</u>	<u>Mathematics & Science Partnerships</u>	<u>Vocational Education - Instructor Practicum</u>
ASSETS						
Cash (overdrafts) and cash equivalents	\$ (78)	\$ (159)	\$ 231	\$ 273	\$ 4,292	\$ -
Due from other governments	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ (78)</u>	<u>\$ (159)</u>	<u>\$ 231</u>	<u>\$ 273</u>	<u>\$ 4,292</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES (DEFICIT)						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	230	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>230</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)						
Unreserved	<u>(78)</u>	<u>(159)</u>	<u>1</u>	<u>273</u>	<u>4,292</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ (78)</u>	<u>\$ (159)</u>	<u>\$ 231</u>	<u>\$ 273</u>	<u>\$ 4,292</u>	<u>\$ -</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2007

	Retired Professional Service Corps	Adult Education and Family Literacy Grant	Career Awareness and Development	Regional Safe Schools	Truants Alternative/ Optional Education	School to Work (DOL)
ASSETS						
Cash (overdrafts) and cash equivalents	\$ 28	\$ 15,251	\$ (113)	\$ 133,566	\$ 2,681	\$ 898
Due from other governments	-	-	-	-	-	-
TOTAL ASSETS	\$ 28	\$ 15,251	\$ (113)	\$ 133,566	\$ 2,681	\$ 898
LIABILITIES AND FUND BALANCES (DEFICIT)						
LIABILITIES						
Accounts payable	\$ -	\$ 298	\$ -	\$ 5,360	\$ 2,246	\$ -
Due to other governments	-	-	-	-	-	894
Due to other funds	-	-	580	-	-	-
Deferred revenue	-	20,991	-	-	-	-
Total liabilities	-	21,289	580	5,360	2,246	894
FUND BALANCES (DEFICIT)						
Unreserved	28	(6,038)	(693)	128,206	435	4
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 28	\$ 15,251	\$ (113)	\$ 133,566	\$ 2,681	\$ 898

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2007

	<u>ROE/ISC Technology</u>	<u>Even Start</u>	<u>Early Childhood Parenting Program</u>	<u>ROE/ISC School Improvement Grant</u>	<u>Learning Standards</u>	<u>Early Childhood - Block Grant (0-3)</u>
ASSETS						
Cash (overdrafts) and cash equivalents	\$ 6	\$ (869)	\$ 4,833	\$ 3	\$ 67	\$ 1,495
Due from other governments	-	7,042	-	-	-	2,707
TOTAL ASSETS	\$ 6	\$ 6,173	\$ 4,833	\$ 3	\$ 67	\$ 4,202
LIABILITIES AND FUND BALANCES (DEFICIT)						
LIABILITIES						
Accounts payable	\$ -	\$ 4,052	\$ 765	\$ -	\$ -	\$ 2,630
Due to other governments	-	-	-	-	-	-
Due to other funds	-	-	-	748	-	-
Deferred revenue	-	2,091	-	-	-	1,573
Total liabilities	-	6,143	765	748	-	4,203
FUND BALANCES (DEFICIT)						
Unreserved	6	30	4,068	(745)	67	(1)
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 6	\$ 6,173	\$ 4,833	\$ 3	\$ 67	\$ 4,202

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
 June 30, 2007

SCHEDULE 4
(CONTINUED)

	Early Childhood - Block Grant <u>(3-5)</u>	Early Childhood - Block Grant (Prevention Initiative)	Illinois Century Network	Tobacco Settlement Recovery Fund/ Prevention	Early Childhood - Block Grant <u>(3705-50)</u>
ASSETS					
Cash (overdrafts) and cash equivalents	\$ 4,928	\$ 90	\$ 1,597	\$ 14	\$ 230
Due from other governments	<u>1,530</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 6,458</u>	<u>\$ 90</u>	<u>\$ 1,597</u>	<u>\$ 14</u>	<u>\$ 230</u>
LIABILITIES AND FUND BALANCES (DEFICIT)					
LIABILITIES					
Accounts payable	\$ 7,040	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	89	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>7,040</u>	<u>89</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)					
Unreserved	<u>(582)</u>	<u>1</u>	<u>1,597</u>	<u>14</u>	<u>230</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 6,458</u>	<u>\$ 90</u>	<u>\$ 1,597</u>	<u>\$ 14</u>	<u>\$ 230</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2007

SCHEDULE 4
 (CONTINUED)

	<u>Reading Improvement Statewide/ Professional Development</u>	<u>Title IV - Community Service</u>	<u>Title I - Reading First Part B SEA Funds</u>	<u>Secretary of State Family Literacy Grant</u>	<u>Education Outreach Program</u>
ASSETS					
Cash (overdrafts) and cash equivalents	\$ 8	\$ (213)	\$ 4,128	\$ 862	\$ (14,998)
Due from other governments	-	148	-	-	17,162
	<u>8</u>	<u>(65)</u>	<u>4,128</u>	<u>862</u>	<u>2,164</u>
TOTAL ASSETS	\$ 8	\$ (65)	\$ 4,128	\$ 862	\$ 2,164
LIABILITIES AND FUND BALANCES (DEFICIT)					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 520	\$ 5,012
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	4,093	-	-
Total liabilities	-	-	4,093	520	5,012
FUND BALANCES (DEFICIT)					
Unreserved	<u>8</u>	<u>(65)</u>	<u>35</u>	<u>342</u>	<u>(2,848)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 8	\$ (65)	\$ 4,128	\$ 862	\$ 2,164

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
 June 30, 2007

SCHEDULE 4
(CONTINUED)

	<u>State</u>	<u>National</u>	<u>School</u>	<u>Standards</u>	<u>Education</u>
	<u>Free</u>	<u>School</u>	<u>Lunch</u>	<u>Aligned</u>	<u>Technology</u>
	<u>Lunch &</u>	<u>Lunch</u>	<u>Breakfast</u>	<u>Classroom</u>	<u>Grant</u>
	<u>Breakfast</u>	<u>Program</u>	<u>Program</u>	<u>Classroom</u>	<u>Grant</u>
ASSETS					
Cash (overdrafts) and cash equivalents	\$ (704)	\$ 914	\$ 1,582	\$ 2,933	\$ 45
Due from other governments	1	-	-	-	-
TOTAL ASSETS	<u>\$ (703)</u>	<u>\$ 914</u>	<u>\$ 1,582</u>	<u>\$ 2,933</u>	<u>\$ 45</u>
LIABILITIES AND FUND BALANCES (DEFICIT)					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 38
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38</u>
FUND BALANCES (DEFICIT)					
Unreserved	<u>(703)</u>	<u>914</u>	<u>1,582</u>	<u>2,933</u>	<u>7</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ (703)</u>	<u>\$ 914</u>	<u>\$ 1,582</u>	<u>\$ 2,933</u>	<u>\$ 45</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2007

	<u>Secretary of State RESPRO</u>	<u>English Language Learners</u>	<u>Sterling Truants Alternative Program</u>	<u>Kindergarten Standards</u>	<u>Totals</u>
ASSETS					
Cash (overdrafts) and cash equivalents	\$ (1,107)	\$ 954	\$ 156	\$ (8)	\$ 163,816
Due from other governments	-	-	-	-	28,590
TOTAL ASSETS	<u>\$ (1,107)</u>	<u>\$ 954</u>	<u>\$ 156</u>	<u>\$ (8)</u>	<u>\$ 192,406</u>
LIABILITIES AND FUND BALANCES (DEFICIT)					
LIABILITIES					
Accounts payable	\$ 396	\$ 951	\$ 118	\$ -	\$ 29,426
Due to other governments	-	-	-	-	1,213
Due to other funds	-	-	-	-	1,328
Deferred revenue	-	-	-	-	28,748
Total liabilities	<u>396</u>	<u>951</u>	<u>118</u>	<u>-</u>	<u>60,715</u>
FUND BALANCES (DEFICIT)					
Unreserved	<u>(1,503)</u>	<u>3</u>	<u>38</u>	<u>(8)</u>	<u>131,691</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ (1,107)</u>	<u>\$ 954</u>	<u>\$ 156</u>	<u>\$ (8)</u>	<u>\$ 192,406</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2007

SCHEDULE 5

	<u>Administrator's Academy</u>	<u>Scientific Literacy</u>	<u>Title I - School Improvement & Accountability</u>	<u>Title II - Eisenhower - Leadership Grants</u>	<u>Mathematics & Science Partnerships</u>	<u>Vocational Education - Instructor Practicum</u>
REVENUES:						
Local sources	\$ -	\$ -	\$ 1	\$ -	\$ 2	\$ 31
State sources	-	-	-	-	1,500	-
Federal sources	-	-	-	-	-	-
Total revenues	-	-	1	-	1,502	31
EXPENDITURES:						
Current:						
Education:						
Salaries	-	-	-	-	320	-
Benefits	-	-	-	-	24	-
Purchased services	-	-	-	-	868	-
Supplies and materials	-	-	-	-	-	-
Capital expenditure	-	-	-	-	-	-
Total expenditures	-	-	-	-	1,212	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	1	-	290	31
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(636)
Total other financing sources (uses)	-	-	-	-	-	(636)
NET CHANGE IN FUND BALANCES	-	-	1	-	290	(605)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	(78)	(159)	-	273	4,002	605
FUND BALANCES (DEFICIT), END OF YEAR	\$ (78)	\$ (159)	\$ 1	\$ 273	\$ 4,292	\$ -

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2007

SCHEDULE 5
 (CONTINUED)

	<u>Retired Professional Service Corps</u>	<u>Adult Education and Family Literacy Grant</u>	<u>Career Awareness and Development</u>	<u>Regional Safe Schools</u>	<u>Truants Alternative/ Optional Education</u>	<u>School to Work (DOL)</u>
REVENUES:						
Local sources	\$ -	\$ 7	\$ 37	\$ 13,319	\$ 9	\$ 1
State sources	-	23,325	-	156,638	69,331	-
Federal sources	-	-	-	-	-	-
Total revenues	-	23,332	37	169,957	69,340	1
EXPENDITURES:						
Current:						
Education:						
Salaries	-	21,834	-	93,209	50,615	-
Benefits	-	1,276	-	15,641	9,625	-
Purchased services	-	106	-	27,030	7,158	-
Supplies and materials	-	104	-	8,693	1,942	-
Capital expenditure	-	-	-	13,891	-	-
Total expenditures	-	23,320	-	158,464	69,340	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	12	37	11,493	-	1
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(786)	-	-	-
Total other financing sources (uses)	-	-	(786)	-	-	-
NET CHANGE IN FUND BALANCES	-	12	(749)	11,493	-	1
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	28	(6,050)	56	116,713	435	3
FUND BALANCES (DEFICIT), END OF YEAR	\$ 28	\$ (6,038)	\$ (693)	\$ 128,206	\$ 435	\$ 4

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2007

SCHEDULE 5
 (CONTINUED)

	<u>ROE/ISC Technology</u>	<u>Even Start</u>	<u>Early Childhood Parenting Program</u>	<u>ROE/ISC School Improvement Grant</u>	<u>Learning Standards</u>	<u>Early Childhood - Block Grant (0-3)</u>
REVENUES:						
Local sources	\$ -	\$ 4	\$ 5	\$ 42	\$ 18	\$ 4
State sources	-	-	89,167	-	-	99,585
Federal sources	-	82,177	-	-	-	-
Total revenues	-	82,181	89,172	42	18	99,589
EXPENDITURES:						
Current:						
Education:						
Salaries	-	43,879	67,295	-	-	72,174
Benefits	-	12,001	12,954	-	-	14,643
Purchased services	-	21,386	3,237	-	-	8,642
Supplies and materials	-	4,911	1,434	-	-	4,127
Capital expenditure	-	-	-	-	-	-
Total expenditures	-	82,177	84,920	-	-	99,586
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	4	4,252	42	18	3
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(858)	(375)	-
Total other financing sources (uses)	-	-	-	(858)	(375)	-
NET CHANGE IN FUND BALANCES	-	4	4,252	(816)	(357)	3
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	6	26	(184)	71	424	(4)
FUND BALANCES (DEFICIT), END OF YEAR	\$ 6	\$ 30	\$ 4,068	\$ (745)	\$ 67	\$ (1)

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2007

SCHEDULE 5
 (CONTINUED)

	Early Childhood - Block Grant <u>(3-5)</u>	Early Childhood - Block Grant (Prevention Initiative)	Illinois Century Network	Tobacco Settlement Recovery Fund/ Prevention	Early Childhood - Block Grant <u>(3705-50)</u>
REVENUES:					
Local sources	\$ 9	\$ -	\$ 2	\$ -	\$ -
State sources	178,106	-	-	-	-
Federal sources	-	-	-	-	-
Total revenues	178,115	-	2	-	-
EXPENDITURES:					
Current:					
Education:					
Salaries	99,608	-	-	-	-
Benefits	17,096	-	-	-	-
Purchased services	34,068	-	-	-	-
Supplies and materials	24,292	-	-	-	-
Capital expenditure	3,512	-	-	-	-
Total expenditures	178,576	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(461)	-	2	-	-
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(461)	-	2	-	-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	(121)	1	1,595	14	230
FUND BALANCES (DEFICIT), END OF YEAR	\$ (582)	\$ 1	\$ 1,597	\$ 14	\$ 230

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2007

SCHEDULE 5
 (CONTINUED)

	<u>Reading Improvement Statewide/ Professional Development</u>	<u>Title IV - Community Service</u>	<u>Title I - Reading First Part B SEA Funds</u>	<u>Secretary of State Family Literacy Grant</u>	<u>Education Outreach Program</u>
REVENUES:					
Local sources	\$ -	\$ -	\$ 4	\$ 8	\$ 3
State sources	-	-	-	35,000	-
Federal sources	-	-	3,519	-	175,058
Total revenues	-	-	3,523	35,008	175,061
EXPENDITURES:					
Current:					
Education:					
Salaries	-	-	-	29,114	100,637
Benefits	-	-	-	3,530	20,211
Purchased services	-	-	24	1,763	38,694
Supplies and materials	-	-	3,495	805	18,367
Capital expenditure	-	-	-	-	-
Total expenditures	-	-	3,519	35,212	177,909
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	4	(204)	(2,848)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	4	(204)	(2,848)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	8	(65)	31	546	-
FUND BALANCES (DEFICIT), END OF YEAR	\$ 8	\$ (65)	\$ 35	\$ 342	\$ (2,848)

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2007

SCHEDULE 5
 (CONTINUED)

	<u>State</u>	<u>National</u>		<u>Standards</u>	<u>Education</u>
	<u>Free</u>	<u>School</u>	<u>School</u>	<u>Aligned</u>	<u>Technology</u>
	<u>Lunch &</u>	<u>Lunch</u>	<u>Breakfast</u>	<u>Classroom</u>	<u>Grant</u>
	<u>Breakfast</u>	<u>Program</u>	<u>Program</u>	<u>Classroom</u>	<u>Grant</u>
REVENUES:					
Local sources	\$ -	\$ -	\$ 1	\$ 1	\$ -
State sources	111	-	-	-	-
Federal sources	-	1,508	545	6,000	-
Total revenues	111	1,508	546	6,001	-
EXPENDITURES:					
Current:					
Education:					
Salaries	-	-	-	3,288	3,294
Benefits	-	-	-	655	252
Purchased services	406	1,224	-	914	2,742
Supplies and materials	-	-	-	60	3
Capital expenditure	-	-	-	-	-
Total expenditures	406	1,224	-	4,917	6,291
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(295)	284	546	1,084	(6,291)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	19,587
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	19,587
NET CHANGE IN FUND BALANCES	(295)	284	546	1,084	13,296
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	(408)	630	1,036	1,849	(13,289)
FUND BALANCES (DEFICIT), END OF YEAR	\$ (703)	\$ 914	\$ 1,582	\$ 2,933	\$ 7

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2007

SCHEDULE 5
 (CONTINUED)

	<u>Secretary of State RESPRO</u>	<u>English Language Learners</u>	<u>Sterling Truants Alternative Program</u>	<u>Kindergarten Standards</u>	<u>Totals</u>
REVENUES:					
Local sources	\$ -	\$ 1	\$ 20,834	\$ -	\$ 34,343
State sources	890	-	-	1,800	655,453
Federal sources	-	5,000	-	-	273,807
Total revenues	<u>890</u>	<u>5,001</u>	<u>20,834</u>	<u>1,800</u>	<u>963,603</u>
EXPENDITURES:					
Current:					
Education:					
Salaries	3,030	238	16,000	898	605,433
Benefits	435	12	2,943	95	111,393
Purchased services	587	2,501	1,853	136	153,339
Supplies and materials	-	2,247	-	679	71,159
Capital expenditure	-	-	-	-	17,403
Total expenditures	<u>4,052</u>	<u>4,998</u>	<u>20,796</u>	<u>1,808</u>	<u>958,727</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,162)</u>	<u>3</u>	<u>38</u>	<u>(8)</u>	<u>4,876</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	19,587
Transfers out	-	-	-	-	(2,655)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,932</u>
NET CHANGE IN FUND BALANCES	(3,162)	3	38	(8)	21,808
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>1,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,883</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ (1,503)</u>	<u>\$ 3</u>	<u>\$ 38</u>	<u>\$ (8)</u>	<u>\$ 131,691</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2007

	Regional Safe Schools				Truants Alternative/Optional Education			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Local sources	\$ -	\$ -	\$ 13,319	\$ 13,319	\$ -	\$ -	\$ 9	\$ 9
State sources	110,286	110,286	156,638	46,352	69,331	69,331	69,331	-
Federal sources	-	-	-	-	-	-	-	-
Total revenues	110,286	110,286	169,957	59,671	69,331	69,331	69,340	9
EXPENDITURES:								
Current:								
Education:								
Salaries	88,000	82,515	93,209	(10,694)	48,660	50,460	50,615	(155)
Benefits	11,238	10,765	15,641	(4,876)	9,254	9,490	9,625	(135)
Purchased services	9,898	9,898	27,030	(17,132)	9,681	7,645	7,158	487
Supplies and materials	1,150	5,416	8,693	(3,277)	1,736	1,736	1,942	(206)
Capital outlay	-	1,692	13,891	(12,199)	-	-	-	-
Total expenditures	110,286	110,286	158,464	(48,178)	69,331	69,331	69,340	(9)
NET CHANGE IN FUND BALANCES	\$ -	\$ -	11,493	\$ 11,493	\$ -	\$ -	-	\$ -
FUND BALANCES, UNRESERVED, BEGINNING OF YEAR			116,713				435	
FUND BALANCES, UNRESERVED, END OF YEAR			\$ 128,206				\$ 435	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2007

	Even Start				Early Childhood - Block Grant (0-3)			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Local sources	\$ -	\$ -	\$ 4	\$ 4	\$ -	\$ -	\$ 4	\$ 4
State sources	-	-	-	-	97,077	98,048	99,585	1,537
Federal sources	75,000	81,217	82,177	960	-	-	-	-
Total revenues	75,000	81,217	82,181	964	97,077	98,048	99,589	1,541
EXPENDITURES:								
Current:								
Education:								
Salaries	55,900	44,167	43,879	288	70,219	71,242	72,174	(932)
Benefits	11,922	10,108	12,001	(1,893)	13,300	13,320	14,643	(1,323)
Purchased services	6,478	23,868	21,386	2,482	9,791	9,519	8,642	877
Supplies and materials	700	3,074	4,911	(1,837)	3,767	3,967	4,127	(160)
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	75,000	81,217	82,177	(960)	97,077	98,048	99,586	(1,538)
NET CHANGE IN FUND BALANCES	\$ -	\$ -	4	\$ 4	\$ -	\$ -	3	\$ 3
FUND BALANCES, UNRESERVED, BEGINNING OF YEAR			26				(4)	
FUND BALANCES, UNRESERVED, END OF YEAR			\$ 30				\$ (1)	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2007

	Early Childhood - Block Grant (3-5)				Secretary of State Family Literacy Grant			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
REVENUES:								
Local sources	\$ -	\$ -	\$ 9	\$ 9	\$ -	\$ -	\$ 8	\$ 8
State sources	175,301	177,054	178,106	1,052	35,000	35,000	35,000	-
Federal sources	-	-	-	-	-	-	-	-
Total revenues	175,301	177,054	178,115	1,061	35,000	35,000	35,008	8
EXPENDITURES:								
Current:								
Education:								
Salaries	92,918	99,366	99,608	(242)	29,114	29,114	29,114	-
Benefits	15,652	15,991	17,096	(1,105)	3,584	3,584	3,530	54
Purchased services	35,527	36,100	34,068	2,032	1,369	1,369	1,763	(394)
Supplies and materials	26,204	22,085	24,292	(2,207)	933	933	805	128
Capital outlay	5,000	3,512	3,512	-	-	-	-	-
Total expenditures	175,301	177,054	178,576	(1,522)	35,000	35,000	35,212	(212)
NET CHANGE IN								
FUND BALANCES	\$ -	\$ -	(461)	(461)	\$ -	\$ -	(204)	(204)
FUND BALANCES, UNRESERVED, BEGINNING OF YEAR			(121)				546	
FUND BALANCES, UNRESERVED, END OF YEAR			(582)				342	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2007

	English Language Learners				Total			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Local sources	\$ -	\$ -	\$ 1	\$ 1	\$ -	\$ -	\$ 13,354	\$ 13,354
State sources	-	-	-	-	486,995	489,719	538,660	48,941
Federal sources	5,000	5,000	5,000	-	80,000	86,217	87,177	960
Total revenues	5,000	5,000	5,001	1	566,995	575,936	639,191	63,255
EXPENDITURES:								
Current:								
Education:								
Salaries	238	238	238	-	385,049	377,102	388,837	(11,735)
Benefits	12	12	12	-	64,962	63,270	72,548	(9,278)
Purchased services	4,125	3,455	2,501	954	76,869	91,854	102,548	(10,694)
Supplies and materials	625	1,295	2,247	(952)	35,115	38,506	47,017	(8,511)
Capital outlay	-	-	-	-	5,000	5,204	17,403	(12,199)
Total expenditures	5,000	5,000	4,998	2	566,995	575,936	628,353	(52,417)
NET CHANGE IN FUND BALANCES								
	\$ -	\$ -	3	\$ 3	\$ -	\$ -	10,838	\$ 10,838
FUND BALANCES, UNRESERVED, BEGINNING OF YEAR								
			-				117,595	
FUND BALANCES, UNRESERVED, END OF YEAR								
			\$ 3				\$ 128,433	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2007

	<u>General Educational Development</u>	<u>Bus Driver Training</u>	<u>Supervisory</u>	<u>Technology Training</u>	<u>Learning Technology Center</u>	<u>Totals</u>
ASSETS						
Cash (overdrafts) and cash equivalents	\$ 10,233	\$ 4,677	\$ 1,023	\$ 932	\$ (1,003)	\$ 15,862
LIABILITIES AND FUND BALANCES (DEFICIT)						
LIABILITIES						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES (DEFICIT)						
Unreserved	<u>10,233</u>	<u>4,677</u>	<u>1,023</u>	<u>932</u>	<u>(1,003)</u>	<u>15,862</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 10,233</u>	<u>\$ 4,677</u>	<u>\$ 1,023</u>	<u>\$ 932</u>	<u>\$ (1,003)</u>	<u>\$ 15,862</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2007

SCHEDULE 8

	<u>General Educational Development</u>	<u>Bus Driver Training</u>	<u>Supervisory</u>	<u>Technology Training</u>	<u>Learning Technology Center</u>	<u>Totals</u>
REVENUES:						
Local sources	\$ 6,567	\$ 887	\$ 17	\$ 1	\$ -	\$ 7,472
State sources	-	240	1,000	-	15,085	16,325
Total revenues	<u>6,567</u>	<u>1,127</u>	<u>1,017</u>	<u>1</u>	<u>15,085</u>	<u>23,797</u>
EXPENDITURES:						
Current:						
Education:						
Salaries	-	-	-	-	13,429	13,429
Benefits	-	-	-	-	588	588
Purchased services	3,237	1,070	832	-	57	5,196
Supplies and materials	2,516	-	246	-	-	2,762
Capital outlay	615	-	-	-	-	615
Total expenditures	<u>6,368</u>	<u>1,070</u>	<u>1,078</u>	<u>-</u>	<u>14,074</u>	<u>22,590</u>
NET CHANGE IN FUND BALANCES (DEFICIT)	199	57	(61)	1	1,011	1,207
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>10,034</u>	<u>4,620</u>	<u>1,084</u>	<u>931</u>	<u>(2,014)</u>	<u>14,655</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 10,233</u>	<u>\$ 4,677</u>	<u>\$ 1,023</u>	<u>\$ 932</u>	<u>\$ (1,003)</u>	<u>\$ 15,862</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
 June 30, 2007

	<u>Computer Workshops</u>	<u>Courses Fund</u>	<u>Non-Grant Workshops</u>	<u>IARSS Website Development</u>	<u>Miscellaneous Local Fees</u>	<u>Totals</u>
ASSETS						
Cash (overdrafts) and cash equivalents	\$ 6,707	\$ 1,598	\$ (16,638)	\$ 4,112	\$ 3,693	\$ (528)
LIABILITIES						
Accounts payable	-	-	306	-	1,500	1,806
Due to other funds	-	-	5,528	-	409	5,937
Total liabilities	<u>-</u>	<u>-</u>	<u>5,834</u>	<u>-</u>	<u>1,909</u>	<u>7,743</u>
NET ASSETS						
Unrestricted	<u>\$ 6,707</u>	<u>\$ 1,598</u>	<u>\$ (22,472)</u>	<u>\$ 4,112</u>	<u>\$ 1,784</u>	<u>\$ (8,271)</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
Year Ended June 30, 2007

	<u>Computer Workshops</u>	<u>Courses Fund</u>	<u>Non-Grant Workshops</u>	<u>IARSS Website Development</u>	<u>Miscellaneous Local Fees</u>	<u>Totals</u>
OPERATING REVENUES:						
Local sources	\$ 5,225	\$ -	\$ 6,038	\$ 1,181	\$ 745	\$ 13,189
OPERATING EXPENSES:						
Salaries	-	-	13,754	-	-	13,754
Benefits	-	-	1,052	-	-	1,052
Purchased services	3,734	-	8,212	-	39	11,985
Supplies and materials	150	-	2,105	-	1,102	3,357
Total operating expenses	<u>3,884</u>	<u>-</u>	<u>25,123</u>	<u>-</u>	<u>1,141</u>	<u>30,148</u>
OPERATING INCOME (LOSS)	1,341	-	(19,085)	1,181	(396)	(16,959)
NONOPERATING REVENUES						
Interest revenue	<u>192</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>56</u>	<u>250</u>
INCOME (LOSS) AFTER NONOPERATING REVENUES	1,533	1	(19,085)	1,182	(340)	(16,709)
NET ASSETS, BEGINNING OF YEAR	<u>5,174</u>	<u>1,597</u>	<u>(3,387)</u>	<u>2,930</u>	<u>2,124</u>	<u>8,438</u>
NET ASSETS, END OF YEAR	<u>\$ 6,707</u>	<u>\$ 1,598</u>	<u>\$ (22,472)</u>	<u>\$ 4,112</u>	<u>\$ 1,784</u>	<u>\$ (8,271)</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 Year Ended June 30, 2007

	<u>Computer Workshops</u>	<u>Courses Fund</u>	<u>Non-Grant Workshops</u>	<u>IARSS Website Development</u>	<u>Miscellaneous Local Fees</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts for workshops and services	\$ 5,225	\$ -	\$ 6,038	\$ 1,181	\$ 745	\$ 13,189
Payments to suppliers and providers of goods and services	(3,884)	-	(10,011)	-	(1,141)	(15,036)
Payments to employees	-	-	(14,806)	-	-	(14,806)
Net cash provided by (used in) operating activities	<u>1,341</u>	<u>-</u>	<u>(18,779)</u>	<u>1,181</u>	<u>(396)</u>	<u>(16,653)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest	<u>192</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>56</u>	<u>250</u>
NET INCREASE (DECREASE) IN CASH (OVERDRAFTS) AND CASH EQUIVALENTS	1,533	1	(18,779)	1,182	(340)	(16,403)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,174</u>	<u>1,597</u>	<u>2,141</u>	<u>2,930</u>	<u>4,033</u>	<u>15,875</u>
CASH (OVERDRAFTS) AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 6,707</u>	<u>\$ 1,598</u>	<u>\$ (16,638)</u>	<u>\$ 4,112</u>	<u>\$ 3,693</u>	<u>\$ (528)</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 1,341	\$ -	\$ (19,085)	\$ 1,181	\$ (396)	\$ (16,959)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Effects of increase in liabilities:						
Accounts payable	<u>-</u>	<u>-</u>	<u>306</u>	<u>-</u>	<u>-</u>	<u>306</u>
Net cash provided by (used in) operating activities	<u>\$ 1,341</u>	<u>\$ -</u>	<u>\$ (18,779)</u>	<u>\$ 1,181</u>	<u>\$ (396)</u>	<u>\$ (16,653)</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
 June 30, 2007

	<u>Distributive</u> <u>Fund</u>	<u>Payroll</u> <u>Fund</u>	<u>Public</u> <u>Aid</u> <u>Fund</u>	<u>Total</u>
ASSETS				
Cash (overdrafts) and cash equivalents	\$ 1,500	\$ (409)	\$ 415	\$ 1,506
LIABILITIES				
Due to other governments	\$ 1,500	\$ (409)	\$ 415	\$ 1,506

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended June 30, 2007**

	<u>Balance, July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2007</u>
DISTRIBUTIVE FUND				
ASSETS				
Cash and cash equivalents	\$ 2,540	\$ 3,731,983	\$ 3,733,023	\$ 1,500
LIABILITIES				
Due to other governments	\$ 2,540	\$ 3,731,983	\$ 3,733,023	\$ 1,500
PAYROLL FUND				
ASSETS				
Cash (overdrafts) and cash equivalents	\$ (443)	\$ 596,990	\$ 596,956	\$ (409)
LIABILITIES				
Due to other governments	\$ (443)	\$ 596,990	\$ 596,956	\$ (409)
PUBLIC AID FUND				
ASSETS				
Cash and cash equivalents	\$ 415	\$ -	\$ -	\$ 415
LIABILITIES				
Due to other governments	\$ 415	\$ -	\$ -	\$ 415
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 2,512	\$ 4,328,973	\$ 4,329,979	\$ 1,506
LIABILITIES				
Due to other governments	\$ 2,512	\$ 4,328,973	\$ 4,329,979	\$ 1,506

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
Year Ended June 30, 2007

	<u>Regional Superintendent of Schools</u>	<u>Bi-County Special Education Coop</u>	<u>Totals</u>
Early Childhood Block Grant	\$ 259,720	\$ -	\$ 259,720
Even Start - 2007	75,407	-	75,407
Regional Safe Schools - 2007	110,286	-	110,286
Truants Alternative/Optional Education - 2007	69,331	-	69,331
ROE/ISC Operations	69,861	-	69,861
General State Aid	46,352	-	46,352
Breakfast Incentive	643	-	643
National Lunch	1,639	-	1,639
Supervisory	1,000	-	1,000
School Bus Driver Training	240	-	240
State Free Lunch & Breakfast	111	-	111
English Language Learners	5,000	-	5,000
Special Education IDEA	-	2,312,877	2,312,877
Special Education Personnel	-	540,073	540,073
Special Education Preschool	-	104,497	104,497
Disabled Student Services	-	135,986	135,986
	<u>\$ 639,590</u>	<u>\$ 3,093,433</u>	<u>\$ 3,733,023</u>