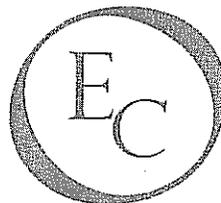


**STATE OF ILLINOIS  
WILL COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 56**

**FINANCIAL AUDIT  
(In Accordance with the Single Audit Act and OMB Circular A-133)  
FOR THE YEAR ENDED JUNE 30, 2008**

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



**E.C. ORTIZ & CO., LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56

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**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**

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**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**

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**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
OFFICIALS**

Regional Superintendent  
(current and during the audit period)

Dr. Jennifer Bertino-Tarrant

Assistant Regional Superintendent  
(current and during the audit period)

Mr. Shawn T. Walsh

Office is located at:

702 West Maple Street  
New Lenox, Illinois 60451

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
COMPLIANCE REPORT SUMMARY**

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

**AUDITORS' REPORTS**

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

**SUMMARY OF AUDIT FINDINGS**

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

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>FINDING (GOVERNMENT AUDITING STANDARDS)</i>			
08-1	13	Inadequate Controls Over Purchased Services Expenditures	Significant Deficiency and Noncompliance
<i>FINDING AND QUESTIONED COSTS (FEDERAL COMPLIANCE)</i>			
08-1	13	Inadequate Controls Over Purchased Services Expenditures	Significant Deficiency and Noncompliance
<i>PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)</i>			
07-1	19	Controls Over Compliance with Laws and Regulations	
<i>PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)</i>			
None			

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
COMPLIANCE REPORT SUMMARY - CONTINUED**

**EXIT CONFERENCE**

The Will County Regional Office of Education No. 56 opted not to have an exit conference during the financial audit for the year ended June 30, 2008. Responses to the recommendations were provided by Dr. Jennifer Bertino-Tarrant in a letter dated February 18, 2009.

## FINANCIAL STATEMENT REPORT

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### Financial Presentation Examined

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

The financial statement report is comprised of the following:

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

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

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

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

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

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### Auditors' Reports

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### Findings and Recommendations

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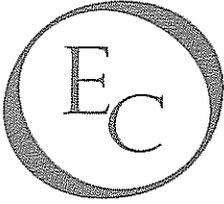
### Financial Statements

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Will County Regional Office of Education No. 56 was performed by E. C. Ortiz & Co., LLP.

Based on their audit, the auditors expressed an unqualified opinion on the Will County Regional Office of Education No. 56's basic financial statements.





E.C. ORTIZ & CO., LLP  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Will County Regional Office of Education No. 56, as of and for the year ended June 30, 2008, which collectively comprise the Will County Regional Office of Education No. 56's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Will County Regional Office of Education No. 56'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 Will County Regional Office of Education No. 56, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 16, 2009 on our consideration of the Will County Regional Office of Education No. 56'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

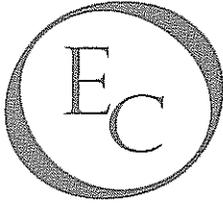
an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 20 to 25 and page 53 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Will County Regional Office of Education No. 56's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Others are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Others, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*E. C. Ortig & Co., LLP*

Chicago, Illinois  
April 16, 2009



E.C. ORTIZ & CO., LLP  
CERTIFIED PUBLIC ACCOUNTANTS

**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 Will County Regional Office of Education No. 56, as of and for the year ended June 30, 2008, which collectively comprise the Will County Regional Office of Education No. 56's basic financial statements and have issued our report thereon dated April 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Will County Regional Office of Education No. 56'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 Will County Regional Office of Education No. 56's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Will County Regional Office of Education No. 56'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, 08-1.

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

### **Compliance and Other Matters**

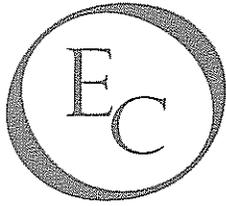
As part of obtaining reasonable assurance about whether the Will County Regional Office of Education No. 56's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 08-1.

The Will County Regional Office of Education No. 56's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Will County Regional Office of Education No. 56's response and, accordingly, we express no opinion on it.

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

*E. C. Ortiz & Co., LLP*

Chicago, Illinois  
April 16, 2009



E.C. ORTIZ & CO., LLP  
CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

We have audited the compliance of the Will County Regional Office of Education No. 56 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Will County Regional Office of Education No. 56's major federal programs are identified in the Summary of the Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Will County Regional Office of Education No. 56's management. Our responsibility is to express an opinion on the Will County Regional Office of Education No. 56's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Will County Regional Office of Education No. 56's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Will County Regional Office of Education No. 56's compliance with those requirements.

In our opinion, the Will County Regional Office of Education No. 56 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing

procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 08-1.

### **Internal Control Over Compliance**

The management of the Will County Regional Office of Education No. 56 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Will County Regional Office of Education No. 56's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Will County Regional Office of Education No. 56's internal control over compliance.

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 08-1 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

The Will County Regional Office of Education No. 56's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Will County Regional Office of Education No. 56's response and, accordingly, we express no opinion on it.

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

*E. C. Ortig & Co., LLP*

Chicago, Illinois  
April 16, 2009



**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008**

**Part I: Summary of the Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?        Yes   ✓   No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?   ✓   Yes        None reported
- Noncompliance material to financial statements noted?        Yes   ✓   No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?        Yes   ✓   No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?   ✓   Yes        None reported

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

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?   ✓   Yes        No

**Identification of major programs:**

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.287C	Title IV - 21st Century Community Learning Centers
84.196A	McKinney Education for Homeless Children

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

Auditee qualified as low-risk auditee?   ✓   Yes        No

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008**

**Part II: Findings Related to the Basic Financial Statements**

Federal Program Name: McKinney Education for Homeless Children  
Project No.: 08-4920-00  
CFDA No.: 84.196A  
Passed Through: Illinois State Board of Education  
Federal Agency: U. S. Department of Education

**FINDING NO. 08-1 - Inadequate Controls Over Purchased Services Expenditures**

*Criteria/Specific Requirement:*

Office of Management and Budget (OMB) Circular A-87 *Cost Principles for State, Local and Indian Tribal Governments*, Attachment A - General Principles for Determining Allowable Costs, Section C. 1. (j) states that for costs to be allowable they must be adequately documented. In addition, OMB Circular A-87 Attachment B - Selected Items of Cost, Section 32 (a) and (b. 8.) states that costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the organization, are allowable. In determining allowability, certain factors such as the adequacy of the contractual agreement for the service (e.g., description of the service, estimate of time required, rate of compensation, and termination provisions) should be considered.

Title 23 Illinois Administrative Code: Education and Cultural Resources, Chapter I, Section 525.160, *Fiscal Procedures* requires the Regional Superintendent of Schools in each Regional Office of Education to maintain accurate financial records in accordance with 23 Illinois Administrative Code 110 *Program Accounting Manual and Regional Office of Education (ROE) Accounting Manual* (the Manual), as applicable. The Manual defines "purchased services expenditure" as amounts paid for personal services rendered by personnel who are not on the payroll of the local educational agency (LEA), and other services which the LEA may purchase.

*Condition:*

In FY 2008, the Will County Regional Office of Education No. 56 (ROE No. 56) became the lead liaison of the McKinney-Vento Homeless Children and Youth Program for Area I Regional Offices of Education. Our review of the program expenditures disclosed that ROE No. 56 did not maintain adequate controls over purchased services expenditures.

- ROE No. 56 failed to execute a written contract for two (2) of four (50%) program consultants which properly documented the scope and description of services to be provided to the ROE, as well as the schedule of fees to be paid.

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008**

**Part II: Findings Related to the Basic Financial Statements** (Continued)

**FINDING NO. 08-1 - Inadequate Controls Over Purchased Services Expenditures**  
(Continued)

*Condition* (Continued):

- All payments made to both consultants for their services were not supported by a timesheet or other documentation of the work performed and consultant hours billed. Payments made in FY 2008 to the two (2) consultants totaled \$62,909.
- All FY 2008 fees paid to consultants totaling \$116,066 were recorded as salaries instead of purchased services. These consultants were classified by the ROE No. 56 as independent contractors based on the relationship and degree of control exercised by ROE No. 56 over the work of the consultants. The ROE No. 56 financial statements were subsequently revised to include the adjustment to reclassify consultant fees to purchased services expenditures. The ROE No. 56 also amended the budget and expenditure reports previously submitted to the grantor agency to reflect these adjustments.

*Questioned Costs:*

\$62,909

*Context:*

The total estimated funding for this program from July 1, 2007 through June 30, 2008 was \$442,101.

*Effects:*

Failure to execute contracts with independent contractors may result in services being provided that are inconsistent with program goals and activities, inadequate protection of the Regional Office's interests, and the incurring of unallowable costs. In addition, inadequate supporting documents do not provide sufficient evidence for the validity and accuracy of the payments processed, thereby increasing the risk that unauthorized disbursements may be made.

Transactions were not recorded in accordance with the Illinois Program Accounting Manual and ROE Accounting Manual. Financial reports prepared by the ROE require additional analysis in order to be comparable and consistent with reporting requirements and GAAP. Salaries and purchased services expenditures were overstated and understated respectively, by \$116,066.

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008**

**Part II: Findings Related to the Basic Financial Statements** (Continued)

**FINDING NO. 08-1 - Inadequate Controls Over Purchased Services Expenditures**  
(Continued)

*Causes:*

According to the ROE No. 56 management, the ROE overlooked the requirement to execute a written contract with the independent consultants. Management further stated that failure to require timesheets or time and effort reports from the consultants was due to oversight. In addition, the program budgeted the services as salaries and thus, the payments were accounted for as salaries instead of purchased services.

*Auditors' Recommendations:*

The Will County Regional Office of Education No. 56 should ensure that all costs charged to the federal program are sufficiently documented and adequately supported. ROE No. 56 should require all consultant agreements to be supported by a written contract with detailed scope of services and rates of compensation. All payments to consultants should be appropriately supported by documentation of actual services rendered or billed.

ROE No. 56 should establish procedures to ensure transactions are carefully reviewed for proper accounting and recognition as required by the Illinois Administrative Code and the ROE Accounting Manual. Specifically, ROE No. 56 should ensure governmental fund expenditures are classified by object classes according to the types of items purchased or services obtained.

*Management's Response:*

We agree with the finding. Payment for the grant coordinator and assistants were inadvertently placed under salary instead of purchased services. This was corrected immediately and an amended budget was sent to the Illinois State Board of Education. In addition, contracts were developed and timesheets are collected regularly.

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008**

**Part III. Findings and Questioned Costs for Federal Awards**

**INSTANCES OF NONCOMPLIANCE:**

Finding No. 08-1 - Inadequate Controls Over Purchased Services Expenditures (finding details on page 13)

**SIGNIFICANT DEFICIENCY:**

Finding No. 08-1 - Inadequate Controls Over Purchased Services Expenditures (finding details on page 13)

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
JUNE 30, 2008**

**FINDING NO. 08-1 - Inadequate Controls Over Purchased Services Expenditures**

Federal Program Name: McKinney Education for Homeless Children  
Project No.: 08-4920-00  
CFDA No.: 84.196A  
Passed Through: Illinois State Board of Education  
Federal Agency: U. S. Department of Education

*Condition:*

In FY 2008, the Will County Regional Office of Education No. 56 (ROE No. 56) became the lead liaison of the McKinney-Vento Homeless Children and Youth Program for Area I Regional Offices of Education. Our review of the program expenditures disclosed that ROE No. 56 did not maintain adequate controls over purchased services expenditures.

- ROE No. 56 failed to execute a written contract for two (2) of four (50%) program consultants which properly documented the scope and description of services to be provided to the ROE, as well as the schedule of fees to be paid.
- All payments made to both consultants for their services were not supported by a timesheet or other documentation of the work performed and consultant hours billed. Payments made in FY 2008 to the two (2) consultants totaled \$62,909.
- All FY 2008 fees paid to consultants totaling \$116,066 were recorded as salaries instead of purchased services. These consultants were classified by the ROE No. 56 as independent contractors based on the relationship and degree of control exercised by ROE No. 56 over the work of the consultants. The ROE No. 56 financial statements were subsequently revised to include the adjustment to reclassify consultant fees to purchased services expenditures. The ROE No. 56 also amended the budget and expenditure reports previously submitted to the grantor agency to reflect these adjustments.

*Plan:*

The ROE No. 56 Bookkeeper corrected the accounting entries immediately and an amended budget was sent to the Illinois State Board of Education. In addition, contracts were developed and timesheets are collected regularly.

*Anticipated Date of Completion:*

Completed

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
JUNE 30, 2008**

**FINDING NO. 08-1 - Inadequate Controls Over Purchased Services Expenditures**  
(Continued)

*Name of Contact Person:*

Dr. Jennifer Bertino-Tarrant, Regional Superintendent of Schools, Will County Regional Office of Education No. 56

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2008**

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
07-1	Controls Over Compliance with Laws and Regulations A. The Regional Superintendent did not present to the county board meetings a report of all her acts and the list of all schools visited with the dates of visitation in compliance with the Illinois School Code 105 ILCS 5/3-5.	Resolved



**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2008**

The Will County Regional Office of Education No. 56 (ROE No. 56) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2008 with comparative information for the year ended June 30, 2007. Readers are encouraged to consider the information in conjunction with the ROE No. 56's financial statements that follow.

**2008 Financial Highlights**

- Within the Governmental Funds, the General Fund revenues increased by \$47,453 (8%) from \$589,270 in FY 2007 to \$636,723 in FY 2008. General Fund expenditures increased by \$55,503 (9%) from \$587,640 in FY 2007 to \$643,143 in FY 2008.
- Within the Governmental Funds, the Special Revenue Fund revenues increased by \$859,303 (10%) from \$8,629,864 in FY 2007 to \$9,489,167 in FY 2008. The Special Revenue Fund expenditures increased by \$826,046 (10%) from \$8,484,913 in FY 2007 to \$9,310,959 in FY 2008.
- The Enterprise Fund revenues decreased by \$170,761 (11%) from \$1,559,463 in FY 2007 to \$1,388,702 in FY 2008. The Enterprise Fund expenditures decreased by \$36,781 (3%) from \$1,377,092 in FY 2007 to \$1,340,311 in FY 2008.

**Using This Report**

This report consists of a series of financial statements and other information, as follows:

- *Management's Discussion and Analysis* introduces financial statements and provides an analytical overview of the ROE No. 56's financial activities.
- The *Government-wide financial statements* consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the ROE No. 56 as a whole and present an overall view of the Office's finances.
- *Fund financial statements* report the ROE No. 56's operations in more detail than the government-wide statements by providing information about the most significant funds.
- *Notes to the financial statements* provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- *Required supplementary information* further explains and supports the financial statements and supplementary information provides detailed information about the non-major funds.

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

**Reporting the Will County Regional Office as a Whole**

It is important to note, that many grants are a cooperative effort of the ROE No. 56 and the Grundy/Kendall Regional Office of Education No. 24. Therefore, these figures may reflect grants that are intended to serve Will County only and grants that serve Will, Grundy, and Kendall Counties.

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

Government-wide Financial Statements

The Government-wide financial statements report information about the ROE No. 56 as a whole. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid using generally accepted accounting principles and GASB 34.

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

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

Fund Financial Statements

The fund financial statements provide detailed information about the ROE No. 56's funds. Funds are accounting devices that allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by State law. The ROE No. 56 established other funds to control and manage money for particular purposes.

The Office has three kinds of funds:

- (1) Governmental funds account for those funds through which most governmental functions of the Office are financed. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at the year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Office's programs. The governmental

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

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

- (2) Proprietary funds account for resources from fees charged directly to those entities or individuals that use its services. Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by government-wide financial statements. The proprietary funds required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses and Changes in Fund Net Assets and a Statement of Cash Flows.
- (3) Fiduciary funds are used to account for assets held by the ROE No. 56 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds required financial statements include a Statement of Fiduciary Net Assets.

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve when examined over time as one indicator of the financial position of the ROE No. 56. The net assets at the end of FY 2008 and FY 2007 totaled \$2,216,955 and \$1,996,951, respectively. The analysis that follows provides a summary of the ROE No. 56's net assets as of June 30.

CONDENSED STATEMENT OF NET ASSETS

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
ASSETS						
Current assets	\$ 2,970,435	\$ 2,265,524	\$ 1,513,651	\$ 1,397,603	\$ 4,484,086	\$ 3,663,127
Capital assets, net of depreciation	12,844	13,019	16,570	15,806	29,414	28,825
<b>TOTAL ASSETS</b>	<b>2,983,279</b>	<b>2,278,543</b>	<b>1,530,221</b>	<b>1,413,409</b>	<b>4,513,500</b>	<b>3,691,952</b>
Current liabilities	2,129,292	1,596,169	167,253	98,832	2,296,545	1,695,001
<b>TOTAL LIABILITIES</b>	<b>2,129,292</b>	<b>1,596,169</b>	<b>167,253</b>	<b>98,832</b>	<b>2,296,545</b>	<b>1,695,001</b>
NET ASSETS						
Invested in capital assets, net of related debt	12,844	13,019	16,570	15,806	29,414	28,825
Restricted for teacher professional development	471,457	379,515	-	-	471,457	379,515
Unrestricted	369,686	289,840	1,346,398	1,298,771	1,716,084	1,588,611
<b>TOTAL NET ASSETS</b>	<b>\$ 853,987</b>	<b>\$ 682,374</b>	<b>\$ 1,362,968</b>	<b>\$ 1,314,577</b>	<b>\$ 2,216,955</b>	<b>\$ 1,996,951</b>

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

The ROE No. 56's net assets increased by \$220,004 (11%) from FY 2007. The increase occurred in the Education Fund primarily due to the increase in grant funding level for the General State Aid.

**CHANGES IN NET ASSETS**

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Revenues:						
Program revenues:						
Charges for services	\$ 155,257	\$ 183,137	\$ 1,323,995	\$ 1,484,092	\$1 479,252	\$1 ,667,229
Operating grants and contributions	9,630,687	8,713,579	-	-	9,630,687	8,713,579
General revenues:						
Local sources and miscellaneous	23,099	46,907	-	-	23,099	46,907
Interest income	45,032	45,817	64,707	75,371	109,739	121,188
On-behalf payments	271,815	229,694	-	-	271,815	229,694
Total revenues	<u>10,125,890</u>	<u>9,219,134</u>	<u>1,388,702</u>	<u>1,559,463</u>	<u>11,514,592</u>	<u>10,778,597</u>
Expenses:						
Salaries	1,120,661	1,056,036	258,457	330,276	1,379,118	1,386,312
Benefits	275,078	245,181	81,972	91,484	357,050	336,665
Purchased services	1,983,972	1,534,833	772,424	754,852	2,756,396	2,289,685
Supplies and materials	141,094	156,404	176,638	163,474	317,732	319,878
Capital expenditures	23,502	12,287	31,746	10,183	55,248	22,470
Depreciation	7,375	6,295	6,797	6,335	14,172	12,630
Payments to other governments	6,081,940	5,748,282	-	-	6,081,940	5,748,282
Miscellaneous	48,840	89,836	12,277	20,488	61,117	110,324
On-behalf payments	271,815	229,694	-	-	271,815	229,694
Total expenses	<u>9,954,277</u>	<u>9,078,848</u>	<u>1,340,311</u>	<u>1,377,092</u>	<u>11,294,588</u>	<u>10,455,940</u>
Change in net assets	171,613	140,286	48,391	182,371	220,004	322,657
Net assets, beginning	<u>682,374</u>	<u>542,088</u>	<u>1,314,577</u>	<u>1,132,206</u>	<u>1,996,951</u>	<u>1,674,294</u>
Net assets, ending	<u>\$ 853,987</u>	<u>\$ 682,374</u>	<u>\$ 1,362,968</u>	<u>\$ 1,314,577</u>	<u>\$ 2,216,955</u>	<u>\$ 1,996,951</u>

**Governmental Activities**

Revenues for governmental activities were \$10,125,890 and expenses were \$9,954,277. The increase in program revenues was mainly due to the additional funds received for the McKinney Education for Homeless Children grant and the General State Aid grant which increased by \$409,324 and \$288,139, respectively. Beginning in FY 2008, the ROE received new funding for the Truants Alternative Program which totaled to \$276,882. The increase in program expenditures was primarily due to the increase in payments to other governmental units for the McKinney Education for Homeless Children grant and the General State Aid

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

grant. Expenditures for salaries and purchased services proportionally increased to meet the funding level.

**Business-Type Activities**

Revenues for business-type activities were \$1,388,702 and expenditures were \$1,340,311. The decrease in revenues and expenditures is attributed to the decrease in workshops for the Masters and Doctoral programs conducted in FY 2008.

**Financial Analysis of the ROE No. 56 Funds**

As previously noted, the ROE No. 56 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency's Governmental Funds reported combined fund balances amounting to \$841,143.

**Governmental Fund Highlights**

- State funding of Regional Offices of Education has been stable in funding compared to the previous year.
- The dollar return on investments (certificate of deposit, short-term investments and interest earned on a float) increased modestly due to the electronic deposit of receipts of the ROE funds which resulted in immediate clearing of deposits made.
- County support for the ROE No. 56 remained at the same funding level.
- The Regional Safe Schools Program was able to maintain services due to an increase in the foundation level of General State Aid.

**Proprietary Fund Highlights**

Total proprietary fund net assets increased by \$48,391 (4%). The increase in the proprietary fund net assets is due mainly to the increase in interest income as a result of increased available funds for investment.

**Budgetary Highlights**

The ROE No. 56 annually adopts budgets for several funds. The Professional Development Alliance (PDA) Budget is prepared by the Executive Director of the PDA and approved by a joint Governing Board representing Will, Grundy, & Kendall Counties. The Regional Safe Schools Budget is approved by a similar board. The Education-To-Careers Executive Board approves the budgets for the ETC Partnership and the 21st Century Grant. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the County Board for their approval. The Office Operations Budget covers a fiscal year which runs from December 1 to November 30. All grant budgets are prepared by the Regional Office of

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

Education No. 56 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency.

**Capital Assets**

ROE No. 56's capital assets include office equipment, computers, audio-visual equipment, and building improvements. The ROE No. 56 maintains an inventory of capital assets which have been accumulated over time. For FY 2007, total additions amounted to \$14,761 and total retirement amounted to \$0. Depreciation expense for FY 2008 was \$14,172.

**Economic Factors and Next Years' Budget**

At the time these financial statements were prepared and audited, the Will County Regional Office of Education No. 56 was aware of several existing circumstances that could affect its financial condition in the future:

- The State aid foundation level for FY 2009 has increased to \$5,859 per student.
- County board support for Regional Office of Education No. 56 remains the same for FY 2009.
- The region is experiencing student growth of 0.6%.

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

This financial report is designed to provide the ROE No 56's citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent of Schools, Will County Regional Office of Education No. 56, 702 West Maple Street, New Lenox, Illinois 60451.

## **BASIC FINANCIAL STATEMENTS**

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**

**EXHIBIT A**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,939,384	\$ 1,423,571	\$ 4,362,955
Accounts receivable	4,256	90,080	94,336
Due from other governmental units	26,795	-	26,795
<b>Total current assets</b>	<b>2,970,435</b>	<b>1,513,651</b>	<b>4,484,086</b>
Noncurrent assets:			
Capital assets, net	12,844	16,570	29,414
<b>TOTAL ASSETS</b>	<b>2,983,279</b>	<b>1,530,221</b>	<b>4,513,500</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	661,894	152,978	814,872
Due to other governmental units	336,514	-	336,514
Deferred revenues	1,130,884	14,275	1,145,159
<b>TOTAL LIABILITIES</b>	<b>2,129,292</b>	<b>167,253</b>	<b>2,296,545</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	12,844	16,570	29,414
Restricted for teacher professional development	471,457	-	471,457
Unrestricted	369,686	1,346,398	1,716,084
<b>TOTAL NET ASSETS</b>	<b>\$ 853,987</b>	<b>\$ 1,362,968</b>	<b>\$ 2,216,955</b>

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

WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT B

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contribution	Primary Government		Total
				Governmental Activities	Business-Type Activities	
<b>FUNCTIONS/PROGRAMS</b>						
<b>Primary government</b>						
<b>Governmental activities:</b>						
<b>Instructional services:</b>						
Salaries	\$ 1,120,661	\$ -	\$ 1,117,902	\$ (2,759)	\$ -	\$ (2,759)
Benefits	275,078	-	274,401	(677)	-	(677)
Purchased services	1,983,972	100,667	1,927,381	44,076	-	44,076
Supplies and materials	141,094	18,492	140,088	17,486	-	17,486
Capital expenditures	23,502	2,641	30,626	9,765	-	9,765
Miscellaneous	48,840	33,457	36,299	20,916	-	20,916
Payments to other governments	6,081,940	-	6,103,990	22,050	-	22,050
Depreciation	7,375	-	-	(7,375)	-	(7,375)
<b>Administrative:</b>						
On-behalf payments	271,815	-	-	(271,815)	-	(271,815)
<b>Total governmental activities</b>	<b>9,954,277</b>	<b>155,257</b>	<b>9,630,687</b>	<b>(168,333)</b>	<b>-</b>	<b>(168,333)</b>
<b>Business-type activities:</b>						
Professional development	1,340,311	1,323,995	-	-	(16,316)	(16,316)
<b>Total business-type activities</b>	<b>1,340,311</b>	<b>1,323,995</b>	<b>-</b>	<b>-</b>	<b>(16,316)</b>	<b>(16,316)</b>
<b>Total primary government</b>	<b>\$ 11,294,588</b>	<b>\$ 1,479,252</b>	<b>\$ 9,630,687</b>	<b>(168,333)</b>	<b>(16,316)</b>	<b>(184,649)</b>
<b>General revenues:</b>						
Interest				45,032	64,707	109,739
On-behalf payments				271,815	-	271,815
Miscellaneous				23,099	-	23,099
<b>Total general revenues</b>				<b>339,946</b>	<b>64,707</b>	<b>404,653</b>
<b>Change in net assets</b>				<b>171,613</b>	<b>48,391</b>	<b>220,004</b>
<b>Net assets - beginning</b>				<b>682,374</b>	<b>1,314,577</b>	<b>1,996,951</b>
<b>Net assets - ending</b>				<b>\$ 853,987</b>	<b>\$ 1,362,968</b>	<b>\$ 2,216,955</b>

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

WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 GOVERNMENTAL FUNDS  
 BALANCE SHEET  
 JUNE 30, 2008

EXHIBIT C

	General	Education Fund	Institute Fund	Professional Development Alliance	Nonmajor Special Revenue Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 3,264	\$ 943,698	\$ 471,628	\$ 1,482,609	\$ 38,185	\$ 2,939,384
Accounts receivable	2,500	-	-	-	1,756	4,256
Due from other governmental units	-	-	-	26,795	-	26,795
<b>TOTAL ASSETS</b>	<b>5,764</b>	<b>943,698</b>	<b>471,628</b>	<b>1,509,404</b>	<b>39,941</b>	<b>2,970,435</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	3,029	370,514	171	285,362	2,818	661,894
Due to other governmental units	-	-	-	336,514	-	336,514
Deferred revenues	-	243,356	-	887,528	-	1,130,884
Total liabilities	3,029	613,870	171	1,509,404	2,818	2,129,292
<b>FUND BALANCES</b>						
Unreserved, reported in:						
General fund	2,735	-	-	-	-	2,735
Special revenue funds	-	329,828	471,457	-	37,123	838,408
Total fund balances	2,735	329,828	471,457	-	37,123	841,143
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,764</b>	<b>\$ 943,698</b>	<b>\$ 471,628</b>	<b>\$ 1,509,404</b>	<b>\$ 39,941</b>	<b>\$ 2,970,435</b>

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

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2008**

**EXHIBIT D**

Total fund balances - governmental funds	\$	841,143
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>12,844</u>
Net assets of governmental activities	\$	<u><u>853,987</u></u>

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

WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
GOVERNMENTAL FUNDS

EXHIBIT E

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2008

	General	Education Fund	Institute Fund	Professional Development Alliance	Nonmajor Special Revenue Funds	Total Governmental Funds
<b>REVENUES</b>						
Federal sources	\$ -	\$ 1,857,326	\$ -	\$ 3,166,769	\$ -	\$ 5,024,095
State sources	341,537	3,463,877	-	798,739	2,440	4,606,593
Local sources	-	-	98,394	-	-	98,394
Registration fees	-	-	-	-	-	-
Fees for services	-	-	-	-	50,886	50,886
Interest	272	27,745	15,531	-	1,484	45,032
Miscellaneous	23,099	-	5,844	-	132	29,075
On-behalf payments	271,815	-	-	-	-	271,815
Total revenues	636,723	5,348,948	119,769	3,965,508	54,942	10,125,890
<b>EXPENDITURES</b>						
Instructional services:						
Salaries	217,327	521,817	-	381,517	-	1,120,661
Benefits	67,058	92,275	-	115,745	-	275,078
Purchased services	71,818	909,625	14,716	942,494	45,319	1,983,972
Supplies and materials	56	72,513	660	57,497	10,368	141,094
Miscellaneous	15,069	-	12,451	13,818	7,502	48,840
Payments to other governments	-	3,645,075	-	2,436,865	-	6,081,940
On-behalf payments	271,815	-	-	-	-	271,815
Capital expenditures	-	11,555	-	17,572	1,575	30,702
Total expenditures	643,143	5,252,860	27,827	3,965,508	64,764	9,954,102
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>						
	(6,420)	96,088	91,942	-	(9,822)	171,788
<b>FUND BALANCES, BEGINNING OF YEAR</b>						
	9,155	233,740	379,515	-	46,945	669,355
<b>FUND BALANCES, END OF YEAR</b>						
	\$ 2,735	\$ 329,828	\$ 471,457	\$ -	\$ 37,123	\$ 841,143

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

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008**

**EXHIBIT F**

Net change in fund balances	\$ 171,788
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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	7,200
Depreciation expense	(7,375)
	_____

Change in net assets of governmental activities	\$ 171,613
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*The notes to the financial statements are an integral part of this statement.*

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2008**

**EXHIBIT G**

	<b>Business Type Activities - Enterprise Funds</b>		<b>Total</b>
	<b>Local PDA Funds</b>	<b>Criminal Background Investigation</b>	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,401,597	\$ 21,974	\$ 1,423,571
Accounts receivable	78,548	11,532	90,080
Total current assets	<u>1,480,145</u>	<u>33,506</u>	<u>1,513,651</u>
Noncurrent assets:			
Capital assets, net	12,159	4,411	16,570
Total noncurrent assets	<u>12,159</u>	<u>4,411</u>	<u>16,570</u>
<b>TOTAL ASSETS</b>	<u>1,492,304</u>	<u>37,917</u>	<u>1,530,221</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	145,993	6,985	152,978
Deferred revenues	14,275	-	14,275
<b>TOTAL LIABILITIES</b>	<u>160,268</u>	<u>6,985</u>	<u>167,253</u>
<b>NET ASSETS</b>			
Invested in capital assets	12,159	4,411	16,570
Unrestricted	<u>1,319,877</u>	<u>26,521</u>	<u>1,346,398</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 1,332,036</u>	<u>\$ 30,932</u>	<u>\$ 1,362,968</u>

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

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 PROPRIETARY FUNDS**

**EXHIBIT H**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Business Type Activities - Enterprise Funds</b>		<b>Total</b>
	<b>Local PDA Funds</b>	<b>Criminal Background Investigation</b>	
<b>OPERATING REVENUES</b>			
Local sources	\$ 1,222,944	\$ 101,051	\$ 1,323,995
<b>OPERATING EXPENSES</b>			
Salaries	258,457	-	258,457
Benefits	81,972	-	81,972
Purchased services	679,274	93,150	772,424
Supplies and materials	176,638	-	176,638
Miscellaneous	12,277	-	12,277
Capital expenditures	31,746	-	31,746
Depreciation	3,647	3,150	6,797
Total operating expenses	1,244,011	96,300	1,340,311
<b>OPERATING INCOME (LOSS)</b>	(21,067)	4,751	(16,316)
<b>NONOPERATING REVENUES</b>			
Interest	63,943	764	64,707
<b>CHANGE IN NET ASSETS</b>	42,876	5,515	48,391
<b>TOTAL NET ASSETS, BEGINNING OF YEAR</b>	1,289,160	25,417	1,314,577
<b>TOTAL NET ASSETS, END OF YEAR</b>	\$ 1,332,036	\$ 30,932	\$ 1,362,968

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

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2008**

**EXHIBIT I**

	<b>Business Type Activities - Enterprise Funds</b>		
	<b>Local PDA Funds</b>	<b>Criminal Background Investigation</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts for workshops/services	\$ 1,285,997	\$ 102,821	\$ 1,388,818
Payment to suppliers and providers of goods and services	(834,157)	(92,707)	(926,864)
Payment to employees	(340,429)	-	(340,429)
Net cash provided by operating activities	<u>111,411</u>	<u>10,114</u>	<u>121,525</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITY:</b>			
Purchase of equipment	-	(7,561)	(7,561)
Net cash used in capital financing activity	<u>-</u>	<u>(7,561)</u>	<u>(7,561)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY:</b>			
Interest	63,943	764	64,707
Net cash provided by investing activity	<u>63,943</u>	<u>764</u>	<u>64,707</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>175,354</u>	<u>3,317</u>	<u>178,671</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>1,226,243</u>	<u>18,657</u>	<u>1,244,900</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,401,597</u>	<u>\$ 21,974</u>	<u>\$ 1,423,571</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating income (loss)	\$ (21,067)	\$ 4,751	\$ (16,316)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	3,647	3,150	6,797
Effects of changes in assets and liabilities:			
Accounts receivable	60,853	1,770	62,623
Accounts payable and accrued expenses	65,778	443	66,221
Deferred revenues	2,200	-	2,200
Net cash provided by operating activities	<u>\$ 111,411</u>	<u>\$ 10,114</u>	<u>\$ 121,525</u>

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

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2008**

**EXHIBIT J**

**ASSETS**

Cash and cash equivalents	<u>\$ 9,788</u>
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**LIABILITIES**

Distributive payable	<u>\$ 9,788</u>
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*The notes to the financial statements are an integral part of this statement.*

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Reporting Entity

The Will County Regional Office of Education No. 56 was created by Illinois Public Act 76-735, as amended effective August 8, 1995, to develop and maintain educational service for the school districts in Will County. The Will County Regional Office of Education No. 56 services 176 public schools and 46 private schools in the 29 districts within the County.

The following are the functions of the Will County Regional Office of Education No. 56:

- Processing teachers' certificates
- Teaching initial and refresher classes for bus drivers
- Review life/safety requirements for schools in conjunction with the State of Illinois
- Disbursing State and federal aid to individual school districts

The Regional Superintendent of schools is the chief administrative officer of the region and is elected to the position for a four-year term. The Regional Superintendent is responsible for the supervision and control of the school districts. The Regional Superintendent's responsibilities for administering the school educational service region programs include, but are not limited to, providing directions to teachers and school officials on science, art and teaching methods; implementing the State Board of Education's Policy Programs; encouraging camaraderie among teachers' 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.

The financial statements of the Will County Regional Office of Education No. 56 have been prepared in conformity with the Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The following is a summary of the significant accounting policies:

B. Criteria Used to Determine the Scope of Entity

The reporting entity includes the governing board and all related organizations for which the Will County Regional Office of Education No. 56 exercises oversight responsibility.

The criteria to determine whether outside agencies with activities which benefit the residents should be included within its financial reporting entity includes, but is not

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

limited to, whether the Will County Regional Office of Education No. 56 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters), scope of public service, and special financing relationships.

The Will County Regional Office of Education No. 56 has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the financial statements. In addition, the Will County Regional Office of Education No. 56 is not aware of any entity which would exercise such oversight which would result in it being considered a component unit of the entity.

C. New Accounting Pronouncement

Effective July 1, 2007, the Will County Regional Office of Education No. 56 adopted the following accounting pronouncements:

- GASB Statement No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and 27*, which aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. This statement amends applicable note disclosure and RSI requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 27, *Accounting for Pensions by State and Local Governmental Employers*.
- GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, which establishes criteria to ascertain whether certain transactions should be regarded as a sale or a collateralized borrowing.

There was no significant impact on the Will County Regional Office of Education No. 56's financial statements as a result of adopting the above statements.

D. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between those activities of the ROE that are governmental in nature and those that are considered business-type activities. *Governmental activities* normally are supported by operating grants and contributions,

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

charges for services and intergovernmental revenues. *Business-type activities* normally are supported by amounts assessed or received from local sources for the ROE programs.

The Statement of Net Assets presents the Will County Regional Office of Education No. 56's nonfiduciary assets and liabilities with the differences reported as net assets. Net assets of the ROE are classified as follows:

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

*Restricted Net Assets* - represent resources in which the ROE is legally obligated to spend in accordance with restrictions imposed by enabling legislation.

*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.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to users who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Items not properly included among program revenues are reported instead as *general revenues*. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The financial statements of the Will County Regional Office of Education No. 56 are prepared in accordance with generally accepted accounting principles (GAAP). The Will County Regional Office of Education No. 56 applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

similar revenues are recognized as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund and fiduciary financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Will County Regional Office of Education No. 56 considers revenues as available if they are collected within 60 days after year-end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance.

There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

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

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

The Will County Regional Office of Education No. 56 records on-behalf payments made by the State to the Teachers' Retirement System as revenues and expenditures.

F. Fund Accounting

The accounts of the Will County Regional Office of Education No. 56 are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue, and expenditures. The Will County Regional Office of Education No. 56 maintains individual funds as required by the State of Illinois. The resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

activities are controlled. The various funds are summarized by type in the basic financial statements. The following summarizes the fund types used:

Government Fund Types

Governmental Funds are those through which most governmental functions are financed. The acquisition, use and balances of the expendable financial resources and the related current liabilities are accounted for through governmental funds. The governmental funds include the following:

The General Fund is the general operating fund. The General Fund accounts for all financial resources except those required to be accounted for in another fund.

ROE/ISC Operations - Accounts for grant monies received for, and payment of, expenditures of the ISC Operation Fund.

General Operations - Accounts for monies received for, and payment of, expenditures in connection with general administrative activities.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than those accounted for in the Fiduciary Funds) that are legally restricted to expenditures for specified purposes. The special revenue funds include the following:

Education - Accounts for grant funds which are restricted as to their use except for those accounted for in the Lambert and Professional Development Alliance Funds. Education funds include:

FY 2005/2004 Education to Careers - Accounts for the administration of monies to be used for Education to Careers Fund received from the Illinois State Board of Education.

Regional Safe Schools Program - Accounts for the administration of monies to be used for the Regional Safe Schools Program Fund received from the Illinois State Board of Education.

General State Aid - Accounts for grant monies received for, and payment of, expenditures for regional learning academy supplements.

McKinney Education for Homeless Children - 07/08 - Accounts for grant monies received for and payment of, expenditures associated with a Federal program designed to provide counseling and educational support to homeless children and their families. The programs are funded by a Federal Stewart B.

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

McKinney Education for Homeless Children and Youth Grant administered through the Illinois State Board of Education.

Title IV - 21st Century Community Learning Centers - 00/05/08 - Accounts for monies received for, and payment of, expenditures of the 21st Century Learning Centers Grant. The purpose of this grant is to create community learning centers that provide academic enrichment opportunities for children, particularly students who attend high-poverty and low performing schools.

Truants Alternative Program - Accounts for grant monies received for, and payment of, expenses of the Truants Alternative and Optional Education Program.

Institute - Accounts for registration and renewal fees related to teachers' certificates. Funds collected from registration and renewal fees are expended to defray costs incidental to teachers' institutes, conferences, and workshops. All funds generated remain restricted until expended only on the aforementioned activities.

Professional Development Alliance (PDA) - Accounts for State, and federal funded programs designed to meet the identified needs of the school districts within Will, Grundy and Kendall counties. These services are designed to improve the educational opportunities provided to students within these counties. Professional Development Alliance Funds include:

Learning Technology Center - Accounts for monies from State of Illinois for expenditures incurred to create and support ongoing learning teams focused on alignment of classroom level assessment and instruction.

Standards Aligned Classroom - Area I and Fair 22 - Accounts for grant monies received for, and payment of, expenditures incurred in the improvement of teaching and learning.

FY 2007/2008 Title I - School Improvement and Accountability - Accounts for grant monies received for, and payment of, expenditures of the Title I - School Improvement and Accountability Fund. This grant provides school districts with funds to carry out their school improvement and corrective action responsibilities under Section 1116(c) of Title I while offering students in schools identified for improvement and corrective action the opportunity to transfer to another higher performing public school, including a public charter school within the district.

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**NOTES TO FINANCIAL STATEMENTS**  
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FY 2007/2008 Title II - Teacher Quality - Leadership Grant - Accounts for grant monies received for, and payment of, expenditures of the Title II - Teacher Quality Leadership Grant.

Other State Programs (Support Services) - Accounts for grant monies received, and payment of, expenditures incurred for various support service programs funded by the State.

Nonmajor Special Revenue Funds - All other special revenue funds not classified under Education Fund or Professional Development Alliance are grouped under this fund for financial statement presentation.

General Education Development (GED) - Accounts for the administration of the GED Testing Program. Revenues consist of fees collected for testing, diplomas and materials.

School Bus Driver Training - Accounts for bus drivers' permit fees which may be expended for bus drivers' refresher courses.

Supervisory - Accounts for State funding used to pay expenses for supervision of school districts in the jurisdiction.

Lambert - Accounts for donations which are used for support, health, welfare and education of worthy poor children residing in Will County.

Proprietary Funds - to account for resources from fees charged directly to those entities or individuals that use its services.

Local Professional Development Alliance (PDA) Funds - Accounts for the revenues and expenditures associated with State aid money and workshops put on by the Will County Regional Office of Education No. 56.

Criminal Background Investigation - Accounts for the assessments received from the school districts to pay for the processing of fingerprinting the substitute teachers and expenditures incurred providing this service to the school districts.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

The Agency Fund consists of the following:

Distributive - accounts for funds received and disbursed as a result of the Superintendent's responsibility to receive and distribute to treasurers of school districts and other agencies, monies due them from general State aid, State categorical grants, and various other sources. Interest earned on Distributive Fund assets is used to fund existing programs.

Forest Conservation - accounts for funds received from Will County and disbursed to school districts in relation to the Forest Conservation project.

G. Interest Revenue

Illinois State Board of Education (ISBE) funds received by the ROE for the Distributive Fund accrue interest for the period of time between the receipt of the funds and clearance of checks to the recipient. In accordance with an agreement dated May 24, 1988 with the school district boards served, interest earned on Distributive Fund deposits is transferred to the General Fund to offset wire service and other bank charges incurred by the Distributive Fund.

Distributive Fund interest earned and related charges are recognized as revenues and expenditures in the general fund.

H. License and Permits

License and permit revenues are recognized in the year for which the licenses or permits are issued. Teacher certification revenues are recognized over a five year period when applicable.

I. Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Non-exchange transactions, in which the ROE receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the ROE must provide local resources to be used for specific purpose, and expenditure requirements, in which the resources are

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

provided to the ROE on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

J. Capital Assets

Capital assets result from expenditures in the governmental and proprietary funds. These assets are reported in the governmental and business-type activities column of the government-wide Statement of Net Assets but are not reported in the fund financial statements for the governmental funds.

Capital assets are recorded at cost at time of acquisition or fair value at the date of donation. The ROE capitalizes items costing \$5,000 or more. Depreciation is calculated on a straight-line basis over the estimated useful lives (three to five years) of the respective assets.

K. Deferred Revenues

The ROE 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.

L. Management Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. Investments and Cash Accounts

State regulations require that the Will County Regional Office of Education No. 56 deposit funds under its control into accounts insured by the federal government, secured by substantial collateral or into pooled investment trusts. All funds not needed for immediate disbursements are maintained in interest bearing accounts. Statutes authorize the Will County Regional Office of Education No. 56 to make deposits or invest in obligation of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer's Investment Pool.

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

N. Revenue from Federal and State Grants

Revenues from federal and State grant awards are recorded net of the amount due to the State for the unused portion of the grant or the amount carried over to the following fiscal year project. Amounts due to the State or carried over to the following year project are recorded as liabilities.

O. Budgetary Data

Will County Regional Office of Education No. 56 did not formally adopt a budget for the year ended June 30, 2008 and is not legally required to do so. The Illinois State Board of Education requires budgets for certain State and Federal programs. These budgets were used to prepare Budgetary Comparison Schedules for the following programs:

General Fund:

- ROE/ISC Operations

Special Revenue Funds:

- Education Fund:
  - Regional Safe Schools Program
  - McKinney Education For Homeless Children - 08
  - Title IV - 21st Century Community Learning Centers - 05/08
  - Truants Alternative Program
- Professional Development Alliance Fund:
  - Learning Technology Center
  - FY 2008 Title I - School Improvement and Accountability
  - FY 2008 Title II - Teacher Quality - Leadership Grant
  - Other State Programs (Support Services)

**NOTE 2 - CASH AND INVESTMENTS**

Deposits

The Will County Regional Office of Education No. 56 utilizes several different bank accounts for its various activities. The book balance of such accounts is \$3,541,837 at June 30, 2008, while the bank balance was \$3,851,656. The difference between the above amounts primarily represents checks that have been issued but have not yet cleared the bank as of June 30, 2008. Of the total bank balance as of June 30, 2008, \$298,656 was secured by federal depository insurance or collateral held by the ROE No. 56 in its name and \$3,553,000 was collateralized by security pledged by the ROE No. 56's financial institution on behalf of the ROE No. 56.

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

Investments

The ROE No. 56's established investment policy follows the State of Illinois Public Funds Investment Act which authorizes the ROE No. 56 to purchase certain obligations of the U.S. Treasury, federal agencies and instrumentalities; certificates of deposit and time deposits covered by Federal depository insurance; commercial paper of U.S. corporations with assets exceeding \$500,000,000, if such paper is rated at the highest classification established by at least two standard rating services; money market funds and the Illinois Funds.

As of June 30, 2008, the ROE No. 56 had investments with carrying and fair values of \$830,906 invested in the Illinois Funds Money Market.

*Credit Risk*

At June 30, 2008, the Illinois Funds Money Market Fund had a Standards and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provisions of the Illinois Public Funds Investments Act, 30 ILCS 235. All investments are fully collateralized.

*Interest Rate Risk*

The Illinois Funds Money Market Fund, created by the Illinois General Assembly, enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. The investment policy of the Illinois Funds Money Market Funds states that unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity.

*Concentration of Credit Risk*

Unless specifically authorized by the Treasurer, the Illinois Funds Money Market Fund's investment policy limits investment categories to not exceed 25% of the portfolio, with the exception of cash equivalents and U.S. Treasury securities. Further, certificates of deposits cannot exceed 10% of any single financial institution's total deposits.

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

**NOTE 3 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2008 is as follows:

	Balance July 1, 2007	Additions	Retirements	Balance June 30, 2008
<b>GOVERNMENTAL FUNDS</b>				
Equipment	\$ 60,976	\$ -	\$ -	\$ 60,976
Building improvement	83,239	7,200	-	90,439
	144,215	7,200	-	151,415
Less: accumulated depreciation	131,196	7,375	-	138,571
Capital assets, net	<u>\$ 13,019</u>	<u>\$ (175)</u>	<u>\$ -</u>	<u>\$ 12,844</u>
<b>PROPRIETARY FUNDS</b>				
Equipment	\$ 29,947	\$ 7,561	\$ -	\$ 37,508
Less: accumulated depreciation	14,141	6,797	-	20,938
Capital assets, net	<u>\$ 15,806</u>	<u>\$ 764</u>	<u>\$ -</u>	<u>\$ 16,570</u>

**NOTE 4 - SALARIES AND PENSION PLAN CONTRIBUTIONS**

Salaries of the regional and assistant superintendents are paid by the State of Illinois. All other salaries with the exception of employees paid by the Professional Development Alliance (PDA) Fund are paid by Will County. Pension plan contributions associated with these salaries are also paid respectively, by the State of Illinois and Will County. Employees of the PDA Fund and the applicable pension plan contributions are paid by the Will County Regional Office of Education No. 56.

A breakdown of the on-behalf payments for the Regional Superintendent and his first assistant are as follows:

Regional Superintendents Salary	\$ 105,761
Regional Superintendents Fringe Benefits (includes State paid insurance)	6,824
Assistant Regional Superintendents Salary	95,184
Assistant Regional Superintendents Fringe Benefits (includes State paid insurance)	22,712
TRS Pension Contributions	<u>41,334</u>
Total	<u>\$ 271,815</u>

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

**NOTE 5 - RETIREMENT FUND COMMITMENTS**

Teachers' Retirement System of the State of Illinois

The Will County Regional Office of Education No. 56 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2008, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The employer THIS Fund contribution was 0.63 percent during the year ended June 30, 2008, and the member THIS Fund health insurance contribution was 0.84 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Will County Regional Office of Education No. 56's TRS-covered employees.

- **On-behalf Contributions.** The State of Illinois makes employer pension contributions on behalf of the Will County Regional Office of Education No. 56. For the year ended June 30, 2008, State of Illinois contributions were based on 13.11 percent of creditable earnings not paid from federal funds, and the Will County Regional Office of Education No. 56, recognized revenue and expenditures of \$41,334 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2007 and June 30, 2006, the State of Illinois contribution rates as percentages of creditable earnings were 9.78 percent (\$27,836) and 7.06 percent (\$22,926), respectively. The State contributions to TRS for the year ended June 30, 2008 were based on an actuarial formula. 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 Will County Regional Office of Education No. 56 makes other types of employer contributions directly to TRS.

- **2.2 Formula Contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

the year ended June 30, 2008 were \$1,828. Contributions for the years ended June 30, 2007, and June 30, 2006, were \$1,651 and \$1,884, respectively.

- **Federal and Trust Fund Contributions.** When TRS members are paid from federal and special trust funds administered by the Will County Regional Office of Education No. 56, there is a statutory requirement for the Will County Regional Office of Education No. 56 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the State contribution rate to TRS. For the year ended June 30, 2008, the employer pension contribution was 13.11 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2007 and 2006, the employer contribution was 9.78 and 7.06 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2008, salaries totaling \$96,704 were paid from federal and special trust funds that required employer contributions of \$12,678. For the years ended June 30, 2007 and June 30, 2006, required Will County Regional Office of Education No. 56 contributions were \$10,958 and \$7,846, respectively.
- **Early Retirement Option.** The Will County Regional Office of Education No. 56 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires. Under Public Act 94-0004, a "Pipeline ERO" program was provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they met certain conditions and retired on or before July 1, 2007. If members did not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies for the Pipeline ERO). Under the Pipeline ERO, the maximum employer contribution was 100 percent of the member's highest salary used in the final average salary calculation. Under the Modified ERO, the maximum employer contribution is 117.5 percent. Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement. For the year ended June 30, 2008, the Will County Regional Office of Education No. 56 paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2007 and June 30, 2006, the Will County Regional Office of Education No. 56 paid \$0 in employer ERO contributions.
- **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

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

actual salary increases and the benefit based on salary increases of up to 6 percent. For the year ended June 30, 2008, the Will County Regional Office of Education No. 56 paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2007 and June 30, 2006, the Will County Regional Office of Education No. 56 did not have any payments to TRS for employer contributions due on salary increases in excess of 6 percent.

- If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.62 percent of salary during the year ended June 30, 2008). For the year ended June 30, 2008, the Will County Regional Office of Education No. 56 paid \$0 to TRS for sick leave days granted in excess of the normal annual allotment. For the years ended June 30, 2007 and June 30, 2006, the Will County Regional Office of Education No. 56 did not have any payments to TRS for sick leave days granted in excess of the normal annual allotment.

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

#### Illinois Municipal Retirement Fund

##### **Plan Description**

The Will County Regional Office of Education No. 56's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Will County Regional Office of Education No. 56's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

##### **Funding Policy**

As set by statute, the Will County Regional Office of Education No. 56's regular plan members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions,

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2007 was 11.06% of annual covered payroll. The Will County Regional Office of Education No. 56 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Annual Pension Cost**

For 2007, the Will County Regional Office of Education No. 56's annual pension cost of \$59,849 for the regular plan was equal to the Will County Regional Office of Education No. 56's required and actual contributions.

**THREE - YEAR TREND INFORMATION**

<b>Fiscal Year Ended</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
12/31/07	\$ 59,849	100%	\$ -
12/31/06	44,204	100%	-
12/31/05	49,070	100%	-

The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2005 included (a) 7.50% investment rate of return (net of administrative expense and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the Will County Regional Office of Education No. 56 plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Will County Regional Office of Education No. 56's regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007 was 5 years.

**Funded Status and Funding Progress**

As of December 31, 2007, the most recent actuarial valuation date, the regular plan was 85.31% funded. The actuarial accrued liability for benefits was \$677,910 and the actuarial value of assets was \$578,312, resulting in an underfunded actuarial accrued liability (UAAL) of \$99,598. The covered payroll (annual payroll of active employees covered by the plan) was \$541,132 and the ratio of the UAAL to the covered payroll was 18%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**NOTE 6 - RENTAL OF OFFICE SPACE**

Will County Regional Office of Education No. 56 rents office space for Professional Development Alliance Fund operations. A renewal of the lease term was made on April 18, 2008 for the lease period June 1, 2008 through May 31, 2011, with monthly rental of \$8,000. Rental expense for the year ended June 30, 2008 was \$74,000.

Future minimum lease payments under this agreement are as follows:

Fiscal Year	Amount
2009	\$ 96,000
2010	96,000
2011	88,000
Total	\$ 280,000

**NOTE 7 - DUE FROM (TO) OTHER GOVERNMENTAL UNITS**

The Will County Regional Office of Education No. 56's Special Revenue Funds have funds due to and due from various governmental units which consists of the following:

Due from Other Governmental Units:	
Illinois State Board of Education	\$ 26,795
Due to Other Governmental Units:	
DuPage County Regional Office of Education No. 19	112,917
Kane County Regional Office of Education No. 31	57,687
Lake County Regional Office of Education No. 34	165,910
Total	\$ 336,514

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

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 REQUIRED SUPPLEMENTARY INFORMATION  
 JUNE 30, 2008**

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

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
12/31/07	\$ 578,312	\$ 677,910	\$ 99,598	85.31%	\$ 541,132	18.41%
12/31/06	455,530	529,093	73,563	86.10%	478,917	15.36%
12/31/05	374,932	426,348	51,416	87.94%	423,018	12.15%

**SUPPLEMENTARY INFORMATION**

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
GENERAL FUND  
COMBINING SCHEDULE OF ACCOUNTS  
JUNE 30, 2008**

**SCHEDULE 1**

	<b>ROE/ISC Operations</b>	<b>General Operations</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 3,264	\$ 3,264
Accounts receivable	-	2,500	2,500
<b>TOTAL ASSETS</b>	<b>-</b>	<b>5,764</b>	<b>5,764</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	-	3,029	3,029
<b>FUND BALANCES</b>			
Unreserved	-	2,735	2,735
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 5,764</b>	<b>\$ 5,764</b>

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
GENERAL FUND**

**SCHEDULE 2**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>ROE/ISC Operations</u>	<u>General Operations</u>	<u>Total</u>
<b>REVENUES</b>			
State sources	\$ 341,537	\$ -	\$ 341,537
Local sources			
Interest	-	272	272
Miscellaneous	-	23,099	23,099
On-behalf payments	-	271,815	271,815
	<u>341,537</u>	<u>295,186</u>	<u>636,723</u>
Total revenues			
<b>EXPENDITURES</b>			
Salaries	217,327	-	217,327
Benefits	67,058	-	67,058
Purchased services	57,152	14,666	71,818
Supplies and materials	-	56	56
Miscellaneous	-	15,069	15,069
On-behalf payments	-	271,815	271,815
	<u>341,537</u>	<u>301,606</u>	<u>643,143</u>
Total expenditures			
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	(6,420)	(6,420)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>-</u>	<u>9,155</u>	<u>9,155</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 2,735</u>	<u>\$ 2,735</u>

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**SCHEDULE 3**

	<b>ROE/ISC Operations</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
State sources	\$ 341,537	\$ 341,537	\$ -
<b>EXPENDITURES</b>			
Salaries	215,700	217,327	(1,627)
Benefits	67,716	67,058	658
Purchased services	58,121	57,152	969
Total expenditures	341,537	341,537	-
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		<u>-</u>	
<b>FUND BALANCE, END OF YEAR</b>		<u>\$ -</u>	

WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 EDUCATION FUND  
 COMBINING SCHEDULE OF ACCOUNTS  
 JUNE 30, 2008

SCHEDULE 4

	FY 2005/2004 Education to Careers	Regional Safe Schools Program	General State Aid	McKinney Education for Homeless Children - 07	McKinney Education for Homeless Children - 08
<b>ASSETS</b>					
Cash and cash equivalents	\$ 100	\$ 18,895	\$ 456,182	\$ 3,326	\$ 20,123
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	100	18,351	144,247	211	-
Deferred revenues	-	-	-	-	18,705
Total liabilities	100	18,351	144,247	211	18,705
<b>FUND BALANCES</b>					
Unreserved	-	544	311,935	3,115	1,418
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	\$ 100	\$ 18,895	\$ 456,182	\$ 3,326	\$ 20,123

WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 EDUCATION FUND  
 COMBINING SCHEDULE OF ACCOUNTS  
 JUNE 30, 2008

SCHEDULE 4  
 (CONTINUED)

	Title IV - 21st Century Community Learning Centers - 00	Title IV - 21st Century Community Learning Centers - 05	Title IV - 21st Century Community Learning Centers - 08	Truants Alternative Program	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,306	\$ 243,235	\$ 147,070	\$ 53,461	\$ 943,698
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	-	74,022	81,337	52,246	370,514
Deferred revenues	-	161,960	62,691	-	243,356
Total liabilities	-	235,982	144,028	52,246	613,870
<b>FUND BALANCES</b>					
Unreserved	1,306	7,253	3,042	1,215	329,828
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	\$ 1,306	\$ 243,235	\$ 147,070	\$ 53,461	\$ 943,698

WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 EDUCATION FUND ACCOUNTS

SCHEDULE 5

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2008

	FY 2005/2004 Education to Careers	Regional Safe Schools Program	General State Aid	McKinney Education for Homeless Children - 07	McKinney Education for Homeless Children - 08
<b>REVENUES</b>					
Federal sources	\$ -	\$ -	\$ -	\$ 37,116	\$ 423,396
State sources	-	900,046	2,286,949	-	-
Local sources	-	-	-	-	-
Interest	-	544	13,314	88	1,418
Total revenues	-	900,590	2,300,263	37,204	424,814
<b>EXPENDITURES</b>					
Salaries	-	-	-	-	-
Benefits	-	-	-	-	-
Purchased services	-	-	-	31,583	141,174
Supplies and materials	100	-	-	4,889	1,253
Capital expenditures	-	-	-	-	-
Payments to other governments	-	903,256	2,198,960	-	280,969
Total expenditures	100	903,256	2,198,960	36,472	423,396
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(100)	(2,666)	101,303	732	1,418
<b>FUND BALANCES, BEGINNING OF YEAR</b>	100	3,210	210,632	2,383	-
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ 544	\$ 311,935	\$ 3,115	\$ 1,418

WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 EDUCATION FUND ACCOUNTS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 5  
 (CONTINUED)

	Title IV - 21st Century Community Learning Centers - 00	Title IV - 21st Century Community Learning Centers - 05	Title IV - 21st Century Community Learning Centers - 08	Truants Alternative Program	Total
<b>REVENUES</b>					
Federal sources	\$ 17,446	\$ 754,539	\$ 624,809	\$ -	\$ 1,857,326
State sources	-	-	-	276,882	3,463,877
Local sources					
Interest	871	7,253	3,042	1,215	27,745
Total revenues	18,317	761,812	627,851	278,097	5,348,948
<b>EXPENDITURES</b>					
Salaries	17,306	281,982	222,529	-	521,817
Benefits	2,686	50,658	38,931	-	92,275
Purchased services	4,040	393,120	339,708	-	909,625
Supplies and materials	-	39,193	23,641	3,437	72,513
Capital expenditures	-	-	-	11,555	11,555
Payments to other governments	-	-	-	261,890	3,645,075
Total expenditures	24,032	764,953	624,809	276,882	5,252,860
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(5,715)	(3,141)	3,042	1,215	96,088
<b>FUND BALANCES, BEGINNING OF YEAR</b>	7,021	10,394	-	-	233,740
<b>FUND BALANCES, END OF YEAR</b>	\$ 1,306	\$ 7,253	\$ 3,042	\$ 1,215	\$ 329,828

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
EDUCATION FUND ACCOUNTS  
BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2008**

SCHEDULE 6

	Regional Safe Schools Program			McKinney Education for Homeless Children - 08			Title IV - 21st Century Community Learning Centers - 05		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>									
Federal sources	\$ -	\$ -	\$ -	442,101	423,396	\$ (18,705)	\$ 891,900	\$ 754,559	\$ (137,341)
State sources	900,046	900,046	-	-	-	-	-	-	-
Local sources:									
Interest	-	544	544	-	1,418	1,418	-	7,253	7,253
Total revenues	<u>900,046</u>	<u>900,590</u>	<u>544</u>	<u>442,101</u>	<u>424,814</u>	<u>(17,287)</u>	<u>891,900</u>	<u>761,812</u>	<u>(130,088)</u>
<b>EXPENDITURES</b>									
Salaries	-	-	-	123,689	-	123,689	348,925	281,982	66,943
Benefits	-	-	-	660	-	660	65,185	50,658	14,527
Purchased services	-	-	-	25,783	141,174	(115,391)	417,420	393,120	24,300
Supplies and materials	-	-	-	4,900	1,253	3,647	60,370	39,193	21,177
Capital expenditures	-	-	-	600	-	600	-	-	-
Payments to other governments	900,046	903,256	(3,210)	286,469	280,969	5,500	-	-	-
Total expenditures	<u>900,046</u>	<u>903,256</u>	<u>(3,210)</u>	<u>442,101</u>	<u>423,396</u>	<u>18,705</u>	<u>891,900</u>	<u>764,953</u>	<u>126,947</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ -	(2,666)	(2,666)	\$ -	1,418	1,418	\$ -	(3,141)	(3,141)
<b>FUND BALANCES, BEGINNING OF YEAR</b>		<u>3,210</u>						<u>10,394</u>	
<b>FUND BALANCES, END OF YEAR</b>		<u>\$ 544</u>			<u>\$ 1,418</u>			<u>\$ 7,253</u>	

WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 EDUCATION FUND ACCOUNTS  
 BUDGETARY COMPARISON SCHEDULES  
 FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 6  
 (CONTINUED)

	Title IV - 21st Century Community Learning Centers - 08		Truants Alternative Program				Total	Variance Favorable (Unfavorable)
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)		
<b>REVENUES</b>								
Federal sources	\$ 750,000	\$ 624,809	\$ (125,191)	\$ -	\$ -	\$ 2,084,001	\$ 1,802,764	\$ (281,237)
State sources	-	-	-	276,882	276,882	-	1,176,928	-
Local sources:								
Interest	-	3,042	3,042	-	1,215	-	13,472	13,472
Total revenues	750,000	627,851	(122,149)	276,882	278,097	3,260,929	2,993,164	(267,765)
<b>EXPENDITURES</b>								
Salaries	285,300	222,529	62,771	-	-	757,914	504,511	253,403
Benefits	50,450	38,931	11,519	-	-	116,295	89,589	26,706
Purchased services	349,650	339,708	9,942	-	-	792,853	874,002	(81,149)
Supplies and materials	64,600	23,641	40,959	3,000	3,437	132,870	67,524	65,346
Capital expenditures	-	-	-	10,335	11,555	10,935	11,555	(620)
Payments to other governments	-	-	-	263,547	261,890	1,450,062	1,446,115	3,947
Total expenditures	750,000	624,809	125,191	276,882	276,882	3,260,929	2,993,296	267,633
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ -	3,042	3,042	\$ -	1,215	\$ -	(132)	(132)
<b>FUND BALANCES, BEGINNING OF YEAR</b>							13,604	
<b>FUND BALANCES, END OF YEAR</b>		\$ 3,042			\$ 1,215		\$ 13,472	

WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 PROFESSIONAL DEVELOPMENT ALLIANCE FUNDS  
 COMBINING SCHEDULE OF ACCOUNTS  
 JUNE 30, 2008

SCHEDULE 7

	Learning Technology Center	Standards Aligned Classroom -		Standards Aligned Classroom - Fair - 22	FY 2007 Title I - School Improvement and Accountability		FY 2008 Title I - School Improvement and Accountability		FY 2007 Title II - Teacher Quality Leadership Grant	FY 2008 Title II - Teacher Quality Leadership Grant	Other State Programs (Support Services)	Total
		Arca I	Classroom -		Accountability	Accountability						
Cash and cash equivalents	\$ (9,337)	\$ 2,250	\$ 3,000	\$ 3,000	\$ -	\$ 1,218,186	\$ -	\$ -	\$ -	\$ 93,368	\$ 175,142	\$ 1,482,609
Due from other governmental units	26,795	-	-	-	-	-	-	-	-	-	-	26,795
<b>TOTAL ASSETS</b>	17,458	2,250	3,000	3,000	-	1,218,186	-	-	93,368	175,142	-	1,509,404

**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

Accounts payable and accrued expenses	17,458	2,250	3,000	-	202,570	-	-	28,040	32,044	285,362
Due to other governmental units	-	-	-	-	236,664	-	-	30,269	69,581	336,514
Deferred revenues	-	-	-	-	778,952	-	-	35,059	73,517	887,528
Total liabilities	17,458	2,250	3,000	-	1,218,186	-	-	93,368	175,142	1,509,404

**FUND BALANCES**

Unreserved	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	\$ 17,458	\$ 2,250	\$ 3,000	\$ 3,000	\$ -	\$ 1,218,186	\$ -	\$ -	\$ 93,368	\$ 175,142	\$ -	\$ 1,509,404

WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 PROFESSIONAL DEVELOPMENT ALLIANCE FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 8

	Learning Technology Center	Standards Aligned Classroom - Area I	Standards Aligned Classroom - Fair - 22	FY 2007 Title I - School Improvement and Accountability		FY 2008 Title I - School Improvement and Accountability		FY 2007 Title II - Teacher Quality - Leadership Grant	FY 2008 Title II - Teacher Quality - Leadership Grant	Other State Programs (Support Services)	Total
				Accountability	Accountability	Accountability	Accountability				
<b>REVENUES</b>											
State sources	\$ 176,831	\$ 40,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 581,408	\$ 798,739
Federal sources	-	8,229	7,802	342,083	2,349,263	25,424	433,968	-	-	-	3,166,769
Total revenues	176,831	48,729	7,802	342,083	2,349,263	25,424	433,968	433,968	433,968	581,408	3,965,508
<b>EXPENDITURES</b>											
Salaries	91,709	5,000	-	23,380	178,700	-	7,200	-	75,528	-	381,517
Benefits	26,368	704	-	8,814	60,113	-	1,272	-	18,474	-	115,745
Purchased services	31,929	29,207	5,973	124,082	560,448	5,402	122,803	-	62,650	-	942,494
Supplies and materials	9,253	318	1,829	8,181	19,220	1,693	7,517	-	9,486	-	57,497
Capital expenditures	17,572	-	-	-	-	-	-	-	17,572	-	17,572
Miscellaneous	-	-	-	9,918	-	3,900	-	-	-	-	13,818
Payments to other governments	-	13,500	-	167,708	1,530,782	14,429	295,176	-	415,270	-	2,436,865
Total expenditures	176,831	48,729	7,802	342,083	2,349,263	25,424	433,968	433,968	581,408	581,408	3,965,508
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	-	-	-	-	-	-	-	-	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	-	-	-	-	-	-	-	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 PROFESSIONAL DEVELOPMENT ALLIANCE FUNDS  
 BUDGETARY COMPARISON SCHEDULES  
 FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 9

	Learning Technology Center			FY 2008 Title I - School Improvement and Accountability			FY 2008 Title II - Teacher Quality - Leadership Grant		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>									
Federal sources	\$ -	\$ -	\$ -	\$ 3,128,215	\$ 2,349,263	\$ (778,952)	\$ 469,027	\$ 433,968	\$ (35,059)
State sources	176,831	176,831	-	-	-	-	-	-	-
Total revenues	176,831	176,831	-	3,128,215	2,349,263	(778,952)	469,027	433,968	(35,059)
<b>EXPENDITURES</b>									
Salaries	89,725	91,709	(1,984)	225,000	178,700	46,300	6,000	7,200	(1,200)
Benefits	25,619	26,368	(749)	71,480	60,113	11,367	2,200	1,272	928
Purchased services	35,487	31,929	3,558	764,581	560,448	204,133	132,598	122,803	9,795
Supplies and materials	10,000	9,253	747	20,000	19,220	780	15,000	7,517	7,483
Capital expenditures	16,000	17,572	(1,572)	-	-	-	-	-	-
Payments to other governments	-	-	-	2,047,154	1,530,782	516,372	313,229	295,176	18,053
Total expenditures	176,831	176,831	-	3,128,215	2,349,263	778,952	469,027	433,968	35,059
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCES, BEGINNING OF YEAR</b>	-	-	-	-	-	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 PROFESSIONAL DEVELOPMENT ALLIANCE FUNDS  
 BUDGETARY COMPARISON SCHEDULES  
 FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 9  
 (CONTINUED)

	Other State Programs (Support Services)			Total		Variance Favorable (Unfavorable)
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	
<b>REVENUES</b>						
Federal sources	\$ -	\$ -	\$ -	\$ 3,597,242	\$ 2,783,231	\$ (814,011)
State sources	654,925	581,408	(73,517)	831,756	758,239	(73,517)
Total revenues	654,925	581,408	(73,517)	4,428,998	3,541,470	(887,528)
<b>EXPENDITURES</b>						
Salaries	80,000	75,528	4,472	400,725	353,137	47,588
Benefits	26,400	18,474	7,926	125,699	106,227	19,472
Purchased services	105,954	62,650	43,304	1,038,620	777,830	260,790
Supplies and materials	10,000	9,486	514	55,000	45,476	9,524
Capital expenditures	-	-	-	16,000	17,572	(1,572)
Payments to other governments	432,571	415,270	17,301	2,792,954	2,241,228	551,726
Total expenditures	654,925	581,408	73,517	4,428,998	3,541,470	887,528
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCES, BEGINNING OF YEAR</b>	-	-	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2008

SCHEDULE 10

	General Education Development	School Bus Driver Training	Supervisory	Lambert	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 22,793	\$ 13,757	\$ 882	\$ 753	\$ 38,185
Accounts receivable	-	1,756	-	-	1,756
<b>TOTAL ASSETS</b>	<u>22,793</u>	<u>15,513</u>	<u>882</u>	<u>753</u>	<u>39,941</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	2,368	450	-	-	2,818
<b>FUND BALANCES</b>					
Unreserved	20,425	15,063	882	753	37,123
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 22,793</u>	<u>\$ 15,513</u>	<u>\$ 882</u>	<u>\$ 753</u>	<u>\$ 39,941</u>

WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 NON-MAJOR SPECIAL REVENUE FUNDS

SCHEDULE 11

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2008

	General Education Development	School Bus Driver Training	Supervisory	Lambert	Total
<b>REVENUES</b>					
State sources	\$ -	\$ 1,440	\$ 1,000	\$ -	\$ 2,440
Local sources					
Fees for services	44,062	6,824	-	-	50,886
Interest	838	580	32	34	1,484
Miscellaneous	132	-	-	-	132
Total revenues	45,032	8,844	1,032	34	54,942
<b>EXPENDITURES</b>					
Purchased services	40,709	4,610	-	-	45,319
Supplies and materials	10,368	-	-	-	10,368
Capital expenditures	1,575	-	-	-	1,575
Miscellaneous	1,562	5,448	305	187	7,502
Total expenditures	54,214	10,058	305	187	64,764
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(9,182)	(1,214)	727	(153)	(9,822)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	29,607	16,277	155	906	46,945
<b>FUND BALANCES, END OF YEAR</b>	\$ 20,425	\$ 15,063	\$ 882	\$ 753	\$ 37,123

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**JUNE 30, 2008**

**SCHEDULE 12**

	<u>Distributive</u>	<u>Forest Conservation</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	<u>\$ 9,788</u>	<u>\$ -</u>	<u>\$ 9,788</u>
<b>LIABILITIES</b>			
Distributive payable	<u>\$ 9,788</u>	<u>\$ -</u>	<u>\$ 9,788</u>

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS**  
**JUNE 30, 2008**

**SCHEDULE 13**

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2008</u>
<b>DISTRIBUTIVE</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,380	\$ 10,084,763	\$ 10,080,355	\$ 9,788
<b>LIABILITIES</b>				
Distributive payable	\$ 5,380	\$ 10,084,763	\$ 10,080,355	\$ 9,788
<b>FOREST CONSERVATION</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 115,711	\$ 115,711	\$ -
<b>LIABILITIES</b>				
Due to other governmental units	\$ -	\$ 115,711	\$ 115,711	\$ -
<b>TOTAL ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,380	\$ 10,200,474	\$ 10,196,066	\$ 9,788
<b>LIABILITIES</b>				
Distributive payable	5,380	10,084,763	10,080,355	9,788
Due to other governmental units	-	115,711	115,711	-
Total liabilities	\$ 5,380	\$ 10,200,474	\$ 10,196,066	\$ 9,788

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHERS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**SCHEDULE 14**

	<b>Will County ROE</b>	<b>Professional Development Alliance</b>	<b>Will County Area Career Center</b>	<b>Total</b>
General State Aid	\$ 2,286,949	\$ -	\$ -	\$ 2,286,949
ROE School Bus Driver Training	1,440	-	-	1,440
Regional Safe Schools	900,046	-	-	900,046
Truants Alternative Program	276,882	-	-	276,882
ROE/ISC Operations		341,537	-	341,537
Supervisory Expense	1,000	-	-	1,000
Title I - School Improvement	-	3,128,215	-	3,128,215
Title II - Teacher Quality Leadership Grant	-	469,027	-	469,027
Learning Technology Centers	-	150,036	-	150,036
21st Century Community Learning Centers Program	1,422,829	-	-	1,422,829
McKinney Education for Homeless Children	442,101	-	-	442,101
Other State Programs	-	654,925	-	654,925
Transportation - Regular & Vocational	-	-	5,368	5,368
	<b>\$ 5,331,247</b>	<b>\$ 4,743,740</b>	<b>\$ 5,368</b>	<b>\$ 10,080,355</b>

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

**SCHEDULE 15**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through Number	FY 2008 Expenditures
<b><u>DEPARTMENT OF EDUCATION</u></b>			
Title I Grants to Local Educational Agencies			
Passed-Through Illinois State Board of Education			
<i>Title I - School Improvement and Accountability</i>	84.010A	2007-4331-SS	\$ 342,083
<i>Title I - School Improvement and Accountability</i>	84.010A	2008-4331-SS	2,349,263
			<u>2,691,346</u>
Passed-Through Clark, Coles, Cumberland, Douglas, Edgar, Moultrie and Shelby Counties Regional Office of Education No. 11			
<i>Standards Aligned Classroom Grant - Area I</i>	84.010A	2008-4331-00	8,229
<i>Standards Aligned Classroom Grant - Fair 22</i>	84.010A	2008-4331-00	7,802
			<u>16,031</u>
			<u>2,707,377</u>
Twenty-First Century Community Learning Centers			
Passed-Through Illinois State Board of Education			
<i>Title IV - 21st Century Community Learning Centers</i>	(M) 84.287C	2007-4421-00	17,446
<i>Title IV - 21st Century Community Learning Centers</i>	(M) 84.287C	2007-4421-05	181,190
<i>Title IV - 21st Century Community Learning Centers</i>	(M) 84.287C	2008-4421-05	573,369
<i>Title IV - 21st Century Community Learning Centers</i>	(M) 84.287C	2008-4421-08	624,809
			<u>1,396,814</u>
Improving Teacher Quality State Grants			
Passed-Through Illinois State Board of Education			
<i>Title II - Teacher Quality - Leadership Grant</i>	84.367A	2007-4935-SS	25,424
<i>Title II - Teacher Quality - Leadership Grant</i>	84.367A	2008-4935-SS	433,968
			<u>459,392</u>
Education for Homeless Children and Youth			
Passed-Through Kane County Regional Office of Education No. 31			
<i>McKinney Education for Homeless Children</i>	(M) 84.196A	2007-4920-01	36,472
Passed-Through Illinois State Board of Education			
<i>McKinney Education for Homeless Children</i>	(M) 84.196A	2008-4920-00	423,396
			<u>459,868</u>
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<b>\$ 5,023,451</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 5,023,451</b>

(M) Program was audited as a major program

*The accompanying notes are an integral part of this schedule.*

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

**Note 1. Reporting Entity Basis of Presentation and Accounting**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Will County Regional Office of Education No. 56 and is prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**Note 2. Subrecipients**

The Will County Regional Office of Education No. 56 provided federal awards totaling \$2,289,064 to the following:

<u>Subrecipients</u>	FY 2007/FY 2008 Title I - School Improvement and Accountability (CFDA #84.010A)	FY 2007/FY 2008 Title II - Teacher Quality - Leadership Grant (CFDA #84.367A)	FY 2008 McKinney Education for Homeless Children (CFDA #84.196A)	<u>Total</u>
DuPage County ROE No. 19	\$ 550,995	\$ 105,418	\$ 33,453	\$ 689,866
Kane County ROE No. 31	494,290	77,035	49,591	620,916
Lake County ROE No. 34	653,205	127,152	49,171	829,528
Suburban Cook County ROE No. 14	—	—	77,571	77,571
Grundy/Kendall Counties ROE No. 24	—	—	12,702	12,702
Various school districts	—	—	58,481	58,481
<b>Total</b>	<u>\$ 1,698,490</u>	<u>\$ 309,605</u>	<u>\$ 280,969</u>	<u>\$ 2,289,064</u>

**Note 3. Description of Federal Programs Audited as a Major Program**

McKinney Education for Homeless Children was designed to provide counseling and educational support to homeless children and their families. The programs are funded by a

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

**Note 3. Description of Federal Programs Audited as a Major Program (Continued)**

Federal Stewart B. McKinney Education for Homeless Children and Youth Grant administered through the Illinois State Board of Education.

Title IV - 21st Century Community Learning Centers is a federal grant given by the Department of Education to create community learning centers that provided academic enrichment opportunities for children, particularly students who attend high-poverty and low performing schools.

**Note 4. Non-Cash Assistance**

Not applicable.

**Note 5. Amount of Insurance**

Not applicable.

**Note 6. Loan or Loan Guarantees Outstanding**

Not applicable.