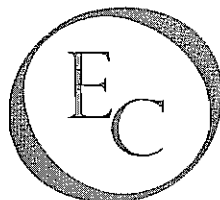


**STATE OF ILLINOIS  
WILL COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 56**

**FINANCIAL AUDIT  
(In Accordance with the Single Audit Act and OMB Circular A-133)  
FOR THE YEAR ENDED JUNE 30, 2009**

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 finding	–	1
Repeated audit finding	–	–
Prior recommendations implemented or not repeated	1	1

An additional matter which is less than a significant deficiency or material weakness but more than inconsequential, has been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, this issue may have been included as an immaterial finding in the auditors' reports.

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS ( <i>GOVERNMENT AUDITING STANDARDS</i> )			
	12	None	N/A
FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)			
	12	None	N/A
PRIOR FINDINGS NOT REPEATED ( <i>GOVERNMENT AUDITING STANDARDS</i> )			
08-1	13	Inadequate Controls Over Purchased Services Expenditures	
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08-1	13	Inadequate Controls Over Purchased Services Expenditures	

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

**EXIT CONFERENCE**

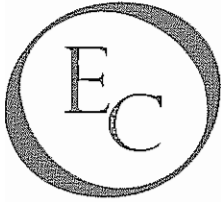
The Will County Regional Office of Education No. 56 opted not to have an exit conference during the financial audit for the year ended June 30, 2009.

**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, 2009, 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 18, 2010 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

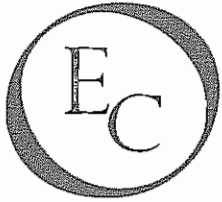
an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 14 to 19 and page 48 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. Ortiz & Co., LLP

Chicago, Illinois  
March 18, 2010



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, 2009, which collectively comprise the Will County Regional Office of Education No. 56's basic financial statements and have issued our report thereon dated March 18, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the 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, but 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies or internal control over financial reporting that might be deficiencies, significant deficiencies or

material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

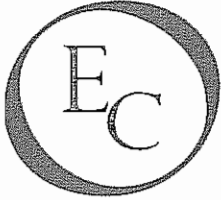
As part of obtaining reasonable assurance about whether the Will County Regional Office of Education No. 56's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain matters which we have reported to management of the Will County Regional Office of Education No. 56 in a separate letter dated March 18, 2010.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, others within the entity, 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  
March 18, 2010



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, 2009. 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, 2009.

## **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.

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

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

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

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, others within the entity, 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  
March 18, 2010

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**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>
84.010A	Title I - School Improvement and Accountability
84.010A	Standards Aligned Classroom - Area 1
84.394A	ARRA - General State Aid
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, 2009**

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

There are no audit findings in the current year.

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

**Instances of Noncompliance:**

None

**Significant Deficiency:**

None



**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2009**

<b><u>Finding No.</u></b>	<b><u>Condition</u></b>	<b><u>Current Status</u></b>
08-1	Inadequate Controls Over Purchased Services Expenditures	Not Repeated

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2009**

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, 2009 with comparative information for the year ended June 30, 2008. Readers are encouraged to consider the information in conjunction with the ROE No. 56's financial statements that follow.

**2009 Financial Highlights**

- Within the Governmental Funds, the General Fund revenues increased by \$23,293 (4%) from \$636,723 in FY 2008 to \$660,016 in FY 2009. General Fund expenditures increased by \$8,668 (1%) from \$643,143 in FY 2008 to \$651,811 in FY 2009.
- Within the Governmental Funds, the Special Revenue Fund revenues increased by \$833,864 (9%) from \$9,489,167 in FY 2008 to \$10,323,031 in FY 2009. The Special Revenue Fund expenditures increased by \$795,783 (9%) from \$9,310,959 in FY 2008 to \$10,106,742 in FY 2009.
- The Enterprise Fund revenues increased by \$15,399 (1%) from \$1,388,702 in FY 2008 to \$1,404,101 in FY 2009. The Enterprise Fund expenditures increased by \$121,822 (9%) from \$1,340,311 in FY 2008 to \$1,462,133 in FY 2009.

**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, 2009**

**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, 2009**

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 2009 and FY 2008 totaled \$2,375,682 and \$2,216,955, 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**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>						
Current assets	\$ 3,488,111	\$ 2,970,435	\$ 1,420,006	\$ 1,513,651	\$ 4,908,117	\$ 4,484,086
Capital assets, net of depreciation	5,109	12,844	10,402	16,570	15,511	29,414
<b>TOTAL ASSETS</b>	<b>3,493,220</b>	<b>2,983,279</b>	<b>1,430,408</b>	<b>1,530,221</b>	<b>4,923,628</b>	<b>4,513,500</b>
Current liabilities	2,422,474	2,129,292	125,472	167,253	2,547,946	2,296,545
<b>TOTAL LIABILITIES</b>	<b>2,422,474</b>	<b>2,129,292</b>	<b>125,472</b>	<b>167,253</b>	<b>2,547,946</b>	<b>2,296,545</b>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	5,109	12,844	10,402	16,570	15,511	29,414
Restricted for teacher professional development	516,531	471,457	-	-	516,531	471,457
Unrestricted	549,106	369,686	1,294,534	1,346,398	1,843,640	1,716,084
<b>TOTAL NET ASSETS</b>	<b>\$ 1,070,746</b>	<b>\$ 853,987</b>	<b>\$ 1,304,936</b>	<b>\$ 1,362,968</b>	<b>\$ 2,375,682</b>	<b>\$ 2,216,955</b>

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2009**

The ROE No. 56's net assets increased by \$158,727 (7%) from FY 2008. 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, 2008 and 2009.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Revenues:						
Program revenues:						
Charges for services	\$ 141,368	\$ 155,257	\$ 1,384,961	\$ 1,323,995	\$1,526,329	\$1,479,252
Operating grants and contributions	10,522,953	9,630,687	-	-	10,522,953	9,630,687
General revenues:						
Local sources and miscellaneous	32,242	23,099	-	-	32,242	23,099
Interest income	8,787	45,032	19,140	64,707	27,927	109,739
On-behalf payments	277,697	271,815	-	-	277,697	271,815
<b>Total revenues</b>	<b>10,983,047</b>	<b>10,125,890</b>	<b>1,404,101</b>	<b>1,388,702</b>	<b>12,387,148</b>	<b>11,514,592</b>
Expenses:						
Salaries	1,237,599	1,120,661	341,199	258,457	1,578,798	1,379,118
Benefits	326,893	275,078	117,617	81,972	444,510	357,050
Purchased services	1,928,048	1,983,972	820,912	772,424	2,748,960	2,756,396
Supplies and materials	99,311	141,094	164,037	176,638	263,348	317,732
Capital expenditures	16,751	23,502	6,702	31,746	23,453	55,248
Depreciation	7,735	7,375	6,168	6,797	13,903	14,172
Payments to other governments	6,849,222	6,081,940	-	-	6,849,222	6,081,940
Miscellaneous	23,032	48,840	5,498	12,277	28,530	61,117
On-behalf payments	277,697	271,815	-	-	277,697	271,815
<b>Total expenses</b>	<b>10,766,288</b>	<b>9,954,277</b>	<b>1,462,133</b>	<b>1,340,311</b>	<b>12,228,421</b>	<b>11,294,588</b>
Change in net assets	216,759	171,613	(58,032)	48,391	158,727	220,004
Net assets, beginning	853,987	682,374	1,362,968	1,314,577	2,216,955	1,996,951
Net assets, ending	<b>\$ 1,070,746</b>	<b>\$ 853,987</b>	<b>\$ 1,304,936</b>	<b>\$ 1,362,968</b>	<b>\$ 2,375,682</b>	<b>\$ 2,216,955</b>

**Governmental Activities**

Revenues for governmental activities were \$10,983,047 and expenses were \$10,766,288. The increase in program revenues was mainly due to the receipt of additional general State aid funds totaling \$423,979, authorized by the American Recovery and Reinvestment Act of 2009, with the goal of delivering emergency education funding to states. Additional funds were received for the 21st Century Community Learning Centers that increased revenues by \$103,274. Revenues for the Title I - School Improvement and Accountability grant likewise increased by \$353,585 primarily due to deferred revenues in the prior year that were recognized in FY 2009. The increase in program expenditures by \$812,011 was primarily

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2009**

due to payments to other governments which accounted for 63% of total expenditures. Expenditures for personnel and purchased services proportionally increased to meet the funding level.

**Business-Type Activities**

Revenues for business-type activities were \$1,404,101 and expenditures were \$1,462,133. The increase in revenues and expenditures is attributed to the increase in workshops for the Masters and Doctoral programs conducted in FY 2009.

**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 \$1,065,637.

**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 decreased by \$58,032 (4%). The decrease in the proprietary fund net assets is due mainly to the decrease in interest income and the increase in workshop operating expenses.

**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

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2009**

December 1 to November 30. All grant budgets are prepared by the Regional Office of 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 2009, there were no additions and retirements of capital assets. Depreciation expense for FY 2009 was \$13,903.

**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 proposed State aid foundation level for FY 2010 has been increased to \$6,089 per student.
- County board support for ROE No. 24 is expected to remain at FY 2009 funding level.
- Several federal grants are expected to be received in FY 2010 in the form of general State aid and competitive grants in an effort to reduce the impact of the State's current fiscal deficit on the school district operations.
- The growth in the region is stabilizing. Student population is up by 2.7% for FY 2009.

**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, 2009**

**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	\$ 2,479,209	\$ 1,323,105	\$ 3,802,314
Accounts receivable	1,820	96,901	98,721
Due from other governmental units	1,007,082	-	1,007,082
Total current assets	<u>3,488,111</u>	<u>1,420,006</u>	<u>4,908,117</u>
Noncurrent assets:			
Capital assets, net	<u>5,109</u>	<u>10,402</u>	<u>15,511</u>
<b>TOTAL ASSETS</b>	<u>3,493,220</u>	<u>1,430,408</u>	<u>4,923,628</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	777,873	112,432	890,305
Due to other governmental units	855,856	-	855,856
Deferred revenues	788,745	13,040	801,785
<b>TOTAL LIABILITIES</b>	<u>2,422,474</u>	<u>125,472</u>	<u>2,547,946</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	5,109	10,402	15,511
Restricted for teacher professional development	516,531	-	516,531
Unrestricted	549,106	1,294,534	1,843,640
<b>TOTAL NET ASSETS</b>	<u>\$ 1,070,746</u>	<u>\$ 1,304,936</u>	<u>\$ 2,375,682</u>

*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, 2009

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	\$ 1,237,599	\$ -	\$ 1,246,264	\$ 8,665	\$ -	\$ 8,665
Benefits	326,893	-	329,182	2,289	-	2,289
Purchased services	1,928,048	106,329	1,919,376	97,657	-	97,657
Supplies and materials	99,311	16,363	99,745	16,797	-	16,797
Capital expenditures	16,751	-	16,868	117	-	117
Miscellaneous	23,032	18,676	14,343	9,987	-	9,987
Payments to other governments	6,849,222	-	6,897,175	47,953	-	47,953
Depreciation	7,735	-	-	(7,735)	-	(7,735)
<b>Administrative:</b>						
On-behalf payments	277,697	-	-	(277,697)	-	(277,697)
<b>Total governmental activities</b>	<b>10,766,288</b>	<b>141,368</b>	<b>10,522,953</b>	<b>(101,967)</b>	<b>-</b>	<b>(101,967)</b>
<b>Business-type activities:</b>						
Professional development	1,462,133	1,384,961	-	-	(77,172)	(77,172)
<b>Total business-type activities</b>	<b>1,462,133</b>	<b>1,384,961</b>	<b>-</b>	<b>-</b>	<b>(77,172)</b>	<b>(77,172)</b>
<b>Total primary government</b>	<b>\$ 12,228,421</b>	<b>\$ 1,526,329</b>	<b>\$ 10,522,953</b>	<b>(101,967)</b>	<b>(77,172)</b>	<b>(179,139)</b>
<b>General revenues:</b>						
Interest				8,787	19,140	27,927
On-behalf payments				277,697	-	277,697
Miscellaneous				32,242	-	32,242
<b>Total general revenues</b>				<b>318,726</b>	<b>19,140</b>	<b>337,866</b>
<b>Change in net assets</b>				<b>216,759</b>	<b>(58,032)</b>	<b>158,727</b>
<b>Net assets - beginning</b>				<b>853,987</b>	<b>1,362,968</b>	<b>2,216,955</b>
<b>Net assets - ending</b>				<b>\$ 1,070,746</b>	<b>\$ 1,304,936</b>	<b>\$ 2,375,682</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, 2009**

**EXHIBIT C**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Institute Fund</u>	<u>Professional Development Alliance</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents (overdraft)	\$ (134,888)	\$ 951,409	\$ 516,877	\$ 1,095,389	\$ 50,422	\$ 2,479,209
Accounts receivable	-	-	-	-	1,820	1,820
Due from other governmental units	145,828	583,630	-	277,624	-	1,007,082
<b>TOTAL ASSETS</b>	<u>10,940</u>	<u>1,535,039</u>	<u>516,877</u>	<u>1,373,013</u>	<u>52,242</u>	<u>3,488,111</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	-	534,862	346	241,263	1,402	777,873
Due to other governmental units	-	489,966	-	365,890	-	855,856
Deferred revenues	-	22,885	-	765,860	-	788,745
Total liabilities	-	1,047,713	346	1,373,013	1,402	2,422,474
<b>FUND BALANCES</b>						
Unreserved, reported in:						
General fund	10,940	-	-	-	-	10,940
Special revenue funds	-	487,326	516,531	-	50,840	1,054,697
Total fund balances	<u>10,940</u>	<u>487,326</u>	<u>516,531</u>	<u>-</u>	<u>50,840</u>	<u>1,065,637</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 10,940</u>	<u>\$ 1,535,039</u>	<u>\$ 516,877</u>	<u>\$ 1,373,013</u>	<u>\$ 52,242</u>	<u>\$ 3,488,111</u>

*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, 2009**

**EXHIBIT D**

Total fund balances - governmental funds	\$ 1,065,637
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>5,109</u>
Net assets of governmental activities	<u>\$ 1,070,746</u>

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

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**EXHIBIT E**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Institute Fund</u>	<u>Professional Development Alliance</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Federal sources	\$ -	\$ 2,563,095	\$ -	\$ 3,545,431	\$ -	\$ 6,108,526
State sources	349,997	3,313,761	-	746,423	4,246	4,414,427
Local sources						
Registration fees	-	-	65,785	-	-	65,785
Fees for services	-	-	792	-	67,621	68,413
Interest	80	4,202	4,111	-	394	8,787
Miscellaneous	32,242	-	5,450	-	1,720	39,412
On-behalf payments	277,697	-	-	-	-	277,697
Total revenues	<u>660,016</u>	<u>5,881,058</u>	<u>76,138</u>	<u>4,291,854</u>	<u>73,981</u>	<u>10,983,047</u>
<b>EXPENDITURES</b>						
Instructional services:						
Salaries	239,414	636,308	-	361,877	-	1,237,599
Benefits	71,824	138,104	-	116,965	-	326,893
Purchased services	47,952	740,962	22,016	1,070,442	46,676	1,928,048
Supplies and materials	3,957	48,119	259	36,664	10,312	99,311
Miscellaneous	10,967	-	8,789	-	3,276	23,032
Payments to other governments	-	4,160,067	-	2,689,155	-	6,849,222
On-behalf payments	277,697	-	-	-	-	277,697
Capital expenditures	-	-	-	16,751	-	16,751
Total expenditures	<u>651,811</u>	<u>5,723,560</u>	<u>31,064</u>	<u>4,291,854</u>	<u>60,264</u>	<u>10,758,553</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	8,205	157,498	45,074	-	13,717	224,494
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>2,735</u>	<u>329,828</u>	<u>471,457</u>	<u>-</u>	<u>37,123</u>	<u>841,143</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 10,940</u>	<u>\$ 487,326</u>	<u>\$ 516,531</u>	<u>\$ -</u>	<u>\$ 50,840</u>	<u>\$ 1,065,637</u>

*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, 2009**

**EXHIBIT F**

Net change in fund balances	\$ 224,494
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	<u>(7,735)</u>
Change in net assets of governmental activities	<u>\$ 216,759</u>

*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, 2009**

**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	\$ 1,303,052	\$ 20,053	\$ 1,323,105
Accounts receivable	96,901	-	96,901
Total current assets	<u>1,399,953</u>	<u>20,053</u>	<u>1,420,006</u>
Noncurrent assets:			
Capital assets, net	<u>8,512</u>	<u>1,890</u>	<u>10,402</u>
<b>TOTAL ASSETS</b>	<u>1,408,465</u>	<u>21,943</u>	<u>1,430,408</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	112,432	-	112,432
Deferred revenues	<u>13,040</u>	<u>-</u>	<u>13,040</u>
<b>TOTAL LIABILITIES</b>	<u>125,472</u>	<u>-</u>	<u>125,472</u>
<b>NET ASSETS</b>			
Invested in capital assets	8,512	1,890	10,402
Unrestricted	<u>1,274,481</u>	<u>20,053</u>	<u>1,294,534</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 1,282,993</u>	<u>\$ 21,943</u>	<u>\$ 1,304,936</u>

*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 REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2009**

**EXHIBIT H**

	<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	\$ 1,309,321	\$ 75,640	\$ 1,384,961
<b>OPERATING EXPENSES</b>			
Salaries	341,199	-	341,199
Benefits	117,617	-	117,617
Purchased services	738,579	82,333	820,912
Supplies and materials	164,037	-	164,037
Miscellaneous	5,498	-	5,498
Capital expenditures	6,702	-	6,702
Depreciation	3,647	2,521	6,168
Total operating expenses	<u>1,377,279</u>	<u>84,854</u>	<u>1,462,133</u>
<b>OPERATING LOSS</b>	(67,958)	(9,214)	(77,172)
<b>NONOPERATING REVENUES</b>			
Interest	<u>18,915</u>	<u>225</u>	<u>19,140</u>
<b>CHANGE IN NET ASSETS</b>	(49,043)	(8,989)	(58,032)
<b>TOTAL NET ASSETS, BEGINNING OF YEAR</b>	<u>1,332,036</u>	<u>30,932</u>	<u>1,362,968</u>
<b>TOTAL NET ASSETS, END OF YEAR</b>	<u>\$ 1,282,993</u>	<u>\$ 21,943</u>	<u>\$ 1,304,936</u>

*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, 2009**

**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	\$ 1,289,733	\$ 87,172	\$ 1,376,905
Payment to suppliers and providers of goods and services	(948,377)	(89,318)	(1,037,695)
Payment to employees	(458,816)	-	(458,816)
Net cash used in operating activities	<u>(117,460)</u>	<u>(2,146)</u>	<u>(119,606)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY:</b>			
Interest	18,915	225	19,140
Net cash provided by investing activity	<u>18,915</u>	<u>225</u>	<u>19,140</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(98,545)	(1,921)	(100,466)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>1,401,597</u>	<u>21,974</u>	<u>1,423,571</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,303,052</u>	<u>\$ 20,053</u>	<u>\$ 1,323,105</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>			
Operating loss	\$ (67,958)	\$ (9,214)	\$ (77,172)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	3,647	2,521	6,168
Effects of changes in assets and liabilities:			
Accounts receivable	(18,353)	11,532	(6,821)
Accounts payable and accrued expenses	(33,561)	(6,985)	(40,546)
Deferred revenues	(1,235)	-	(1,235)
Net cash used in operating activities	<u>\$ (117,460)</u>	<u>\$ (2,146)</u>	<u>\$ (119,606)</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, 2009**

**EXHIBIT J**

**ASSETS**

Cash and cash equivalents	<u>\$ 304,161</u>
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**LIABILITIES**

Distributive payable	292,745
Due to other governmental units	<u>11,416</u>

<b>TOTAL LIABILITIES</b>	<u><u>\$ 304,161</u></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, 2009**

**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 30 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 limited to, whether the Will County Regional Office of Education No. 56 exercises

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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. 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, 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

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*general revenues.* Major individual governmental funds are reported as separate columns in the fund financial statements.

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

Governmental fund and fiduciary fund 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

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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.

E. 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 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 ROE/ISC Operations 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:

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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:

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 - 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. 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.

ARRA - General State Aid (State Fiscal Stabilization Fund - Education State Grants, Recovery Act) - Accounts for grant monies received for, and payment of, expenditures related to helping stabilize state budgets in order to minimize the possible impact of the State's current fiscal deficit and avoid reductions in education. This is funded by the American Reinvestment and Recovery Act (ARRA) - General State Aid.

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

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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:

Technology For Success (Formerly 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 - Accounts for grant monies received for, and payment of, expenditures incurred in the improvement of teaching and learning.

FY 2008/2009 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.

FY 2008/2009 Title II - Teacher Quality - Leadership Grant - Accounts for grant monies received for, and payment of, expenditures of the Title II - Teacher Quality Leadership Grant.

FY 2008/2009 Other State Programs (Support Services) - Accounts for grant monies received, and payment of, expenditures incurred for various support service programs funded by the State.

Teacher and Administrators Mentoring - Accounts for grant monies received, and payment of, expenditures incurred for providing high quality professional mentoring program to new teachers and administrators.

Other Federal Programs (ELL Grant) - Accounts for grant monies received, and payment of, expenditures incurred for trainings provided for English Language Learners program.

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.



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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 - Accounts 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.

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.

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Statewide Independent Living Council - Accounts for funds received from the Statewide Independent Living Council (SILC) which are disbursed for educational and outreach programs for persons with disabilities.

F. 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.

G. 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.

H. 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 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.

I. 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

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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.

J. 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.

K. 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.

L. 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.

M. 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.

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N. Budgetary Data

Will County Regional Office of Education No. 56 did not formally adopt a budget for the year ended June 30, 2009 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
  - Title IV - 21st Century Community Learning Centers - 05/08
  - Truants Alternative Program
- Professional Development Alliance Fund:
  - Technology For Success (Formerly Learning Technology Center)
  - FY 2009 Title I - School Improvement and Accountability
  - FY 2009 Title II - Teacher Quality - Leadership Grant
  - FY 2009 Other State Programs (Support Services)
  - Teacher and Administrators Mentoring
  - Other Federal Programs (ELL Grant)

O. New Accounting Pronouncement

Effective July 1, 2008, the Will County Regional Office of Education No. 56 adopted the following accounting pronouncements:

- GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups.
- GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, which improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income.
- GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which incorporates the hierarchy of

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GAAP for State and local governments into the GASB's authoritative literature. It is intended to make it easier for preparers of State and local government financial statements to identify and apply the "GAAP hierarchy," which consists of sources of accounting principles used in the preparation of financial statements so that they are presented in conformity with GAAP and the framework for selecting those principles.

- GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, which incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. This statement addresses three issues not included in the authoritative literature that establishes accounting principles—related party transactions, going concern considerations, and subsequent events. The presentation of principles used in the preparation of financial statements is more appropriately included in accounting and financial reporting standards rather than in the auditing literature.

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

**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 was \$2,955,121 at June 30, 2009, while the bank balance was \$3,287,928. The difference between the above amounts primarily represents checks that have been issued but have not yet cleared the bank as of June 30, 2009. Of the total bank balance as of June 30, 2009, \$373,053 was secured by federal depository insurance or collateral held by the ROE No. 56 in its name and \$2,914,000 was collateralized by securities held by the bank's trust department under the ROE's name.

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, 2009, the ROE No. 56 had investments invested in the Illinois Funds Money Market with carrying and fair values of \$1,151,354 and \$1,435,739, respectively.

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*Credit Risk*

At June 30, 2009, 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.

**NOTE 3 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2009 is as follows:

	Balance July 1, 2008	Additions	Retirements	Balance June 30, 2009
<b>GOVERNMENTAL FUNDS</b>				
Equipment	\$ 60,976	\$ -	\$ -	\$ 60,976
Building improvement	90,439	-	-	90,439
	151,415	-	-	151,415
Less: accumulated depreciation	138,571	7,735	-	146,306
Capital assets, net	\$ 12,844	\$ (7,735)	\$ -	\$ 5,109
<b>PROPRIETARY FUNDS</b>				
Equipment	\$ 37,508	\$ -	\$ -	\$ 37,508
Less: accumulated depreciation	20,938	6,168	-	27,106
Capital assets, net	\$ 16,570	\$ (6,168)	\$ -	\$ 10,402

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**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 her first assistant are as follows:

Regional Superintendent's salary	\$ 100,762
Regional Superintendent's fringe benefits (includes State paid insurance)	6,508
Assistant Regional Superintendent's salary	90,686
Assistant Regional Superintendent's fringe benefits (includes State paid insurance)	21,771
TRS pension contributions	57,970
Total	\$ 277,697

**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, 2009, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2008 and 2007. In addition, virtually all employers and

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

The State of Illinois makes contributions directly to TRS on behalf of the 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, 2009, State of Illinois contributions were based on 17.08 percent of creditable earnings not paid from federal funds, and the Will County Regional Office of Education No. 56 recognized revenue and expenditures of \$57,970 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2008 and June 30, 2007, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 13.11 percent (\$41,334) and 9.78 percent (\$27,836), respectively. The State contributions to TRS for the years ended June 30, 2009 and June 30, 2008 were based on an actuarial formula. The State contribution for the year ended June 30, 2007 was based on a dollar amount specified by the statute and was not actuarially determined.

The 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 the year ended June 30, 2009 were \$1,969. Contributions for the years ended June 30, 2008 and June 30, 2007, were \$1,828 and \$1,651, respectively.
- **Federal and Special 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 for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the State contribution rate to TRS. For the year ended June 30, 2009, the employer pension contribution was 17.08 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2008 and 2007, the employer contribution was 13.11 and 9.78 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2009, salaries totaling \$87,926 were paid from federal and special trust funds that required employer contributions of \$15,018. For the years ended June 30, 2008 and June 30, 2007, required



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Will County Regional Office of Education No. 56 contributions were \$12,678 and \$10,958, 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. Under Public Act 94-0004, a “Pipeline ERO” program was provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they met certain conditions and retired on or before July 1, 2007. If members did not meet these conditions, they can retire under the “Modified ERO” program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualified for the Pipeline ERO). Under the Pipeline ERO, the maximum employer contribution was 100 percent of the member’s highest salary used in the final average salary calculation. Under the Modified ERO, the maximum employer contribution is 117.5 percent. Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement. For the year ended June 30, 2009, 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, 2008 and June 30, 2007, the Will County Regional Office of Education No. 56 did not have any payments to TRS for employer ERO contributions.
- **Salary Increases Over 6 Percent and Excess Sick Leave.** Public Act 94-0004 added two additional employer contributions to TRS.
  - If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree’s final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent. For the year ended June 30, 2009, 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, 2008 and June 30, 2007, 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 (18.67 percent of salary during the year ended June 30, 2009). For the year ended June 30, 2009, 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.

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For the years ended June 30, 2008 and June 30, 2007, 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, 2008. The report for the year ended June 30, 2009, is expected to be available in late 2009. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS web site at [trs.illinois.gov](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, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 11.19% 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 2008, the Will County Regional Office of Education No. 56's annual pension cost of \$70,259 for the regular plan was equal to the Will County Regional Office of Education No. 56's required and actual contributions.

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**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>
12/31/08	\$ 70,259	100%	\$ -
12/31/07	59,849	100%	-
12/31/06	44,204	100%	-

The required contribution for 2008 was determined as part of the December 31, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006 included (a) 7.50% investment rate of return (net of administrative 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 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the Will County Regional Office of Education No. 56 regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% 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 the December 31, 2006 valuation was 5 years.

**Funded Status and Funding Progress**

As of December 31, 2008, the most recent actuarial valuation date, the regular plan was 88.77% funded. The actuarial accrued liability for benefits was \$789,674 and the actuarial value of assets was \$701,024, resulting in an underfunded actuarial accrued liability (UAAL) of \$88,650. The covered payroll (annual payroll of active employees covered by the plan) was \$627,870 and the ratio of the UAAL to the covered payroll was 14%.

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

**NOTE 6 - 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	<u>\$ 1,007,082</u>

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

Due to Other Governmental Units:

Grundy/Kendall Counties Regional Office of Education No. 24	\$	489,966
DuPage County Regional Office of Education No. 19		141,896
Lake County Regional Office of Education No. 34		125,552
Kane County Regional Office of Education No. 31		98,442
Statewide Independent Living Council		11,416
		11,416
Total	\$	867,272

**NOTE 7 - RENTAL OF OFFICE SPACE**

Will County Regional Office of Education No. 56 rents office space for Professional Development Alliance Fund operations. The lease agreement, which commenced in June 2008 will expire in May 2011. Rental expense for the year ended June 30, 2009 was \$96,000.

Future minimum lease payments under this agreement are as follows:

Fiscal Year	Amount
2010	\$ 96,000
2011	88,000
Total	\$ 184,000

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

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 REQUIRED SUPPLEMENTARY INFORMATION  
 JUNE 30, 2009**

**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>
12/31/08	\$ 701,024	\$789,674	\$ 88,650	88.77%	\$ 627,870	14.12%
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%

**SUPPLEMENTARY INFORMATION**

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**GENERAL FUND**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**JUNE 30, 2009**

**SCHEDULE 1**

	<u>ROE/ISC Operations</u>	<u>General Operations</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents (overdraft)	\$ (145,828)	\$ 10,940	\$ (134,888)
Due from other governmental units	<u>145,828</u>	<u>-</u>	<u>145,828</u>
<b>TOTAL ASSETS</b>	<u>-</u>	<u>10,940</u>	<u>10,940</u>
<b>FUND BALANCES</b>			
Unreserved	<u>-</u>	<u>10,940</u>	<u>10,940</u>
<b>TOTAL FUND BALANCES</b>	<u>\$ -</u>	<u>\$ 10,940</u>	<u>\$ 10,940</u>



GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2009

	<u>ROE/ISC Operations</u>	<u>General Operations</u>	<u>Total</u>
<b>REVENUES</b>			
State sources	\$ 349,997	\$ -	\$ 349,997
Local sources			
Interest	-	80	80
Miscellaneous	-	32,242	32,242
On-behalf payments	-	277,697	277,697
	<u>349,997</u>	<u>310,019</u>	<u>660,016</u>
Total revenues			
<b>EXPENDITURES</b>			
Salaries	239,414	-	239,414
Benefits	71,824	-	71,824
Purchased services	38,759	9,193	47,952
Supplies and materials	-	3,957	3,957
Miscellaneous	-	10,967	10,967
On-behalf payments	-	277,697	277,697
	<u>349,997</u>	<u>301,814</u>	<u>651,811</u>
Total expenditures			
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	8,205	8,205
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>-</u>	<u>2,735</u>	<u>2,735</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 10,940</u>	<u>\$ 10,940</u>

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2009**

**SCHEDULE 3**

	<b>ROE/ISC Operations</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
State sources	\$ 349,997	\$ 349,997	\$ -
<b>EXPENDITURES</b>			
Salaries	246,000	239,414	6,586
Benefits	64,288	71,824	(7,536)
Purchased services	39,709	38,759	950
Total expenditures	349,997	349,997	-
<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, 2009**

**SCHEDULE 4**

	<u>Regional Safe Schools Program</u>	<u>General State Aid</u>	<u>McKinney Education for Homeless Children</u>	<u>Title IV - 21st Century Community Learning Centers - 00</u>
<b>ASSETS</b>				
Cash and cash equivalents (overdraft)	\$ (357,372)	\$ 578,105	\$ 15,853	\$ 463
Due from other governmental units	428,069	-	-	-
<b>TOTAL ASSETS</b>	<u>70,697</u>	<u>578,105</u>	<u>15,853</u>	<u>463</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	70,140	106,386	995	-
Due to other governmental units	-	-	-	-
Deferred revenues	-	-	12,724	-
Total liabilities	<u>70,140</u>	<u>106,386</u>	<u>13,719</u>	<u>-</u>
<b>FUND BALANCES</b>				
Unreserved	<u>557</u>	<u>471,719</u>	<u>2,134</u>	<u>463</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 70,697</u>	<u>\$ 578,105</u>	<u>\$ 15,853</u>	<u>\$ 463</u>

WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 EDUCATION FUND  
 COMBINING SCHEDULE OF ACCOUNTS  
 JUNE 30, 2009

SCHEDULE 4  
 (CONTINUED)

	Title IV - 21st Century Community Learning Centers - 05	Title IV - 21st Century Community Learning Centers - 08	Truants Alternative Program	ARRA - General State Aid	Total
<b>ASSETS</b>					
Cash and cash equivalents (overdraft)	\$ 107,178	\$ 180,765	\$ (63,549)	\$ 489,966	\$ 951,409
Due from other governmental units	53,869	-	101,692	-	583,630
<b>TOTAL ASSETS</b>	<u>161,047</u>	<u>180,765</u>	<u>38,143</u>	<u>489,966</u>	<u>1,535,039</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	153,379	167,096	36,866	-	534,862
Due to other governmental units	-	-	-	489,966	489,966
Deferred revenues	-	10,161	-	-	22,885
Total liabilities	<u>153,379</u>	<u>177,257</u>	<u>36,866</u>	<u>489,966</u>	<u>1,047,713</u>
<b>FUND BALANCES</b>					
Unreserved	<u>7,668</u>	<u>3,508</u>	<u>1,277</u>	<u>-</u>	<u>487,326</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 161,047</u>	<u>\$ 180,765</u>	<u>\$ 38,143</u>	<u>\$ 489,966</u>	<u>\$ 1,535,039</u>

WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56

SCHEDULE 5

EDUCATION FUND ACCOUNTS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Regional Safe Schools Program</u>	<u>General State Aid</u>	<u>McKinney Education for Homeless Children</u>	<u>Title IV - 21st Century Community Learning Centers - 00</u>
<b>REVENUES</b>				
Federal sources	\$ -	\$ -	\$ 444,442	\$ -
State sources	941,747	2,092,363	-	-
Local sources				
Interest	13	3,105	134	7
Total revenues	<u>941,760</u>	<u>2,095,468</u>	<u>444,576</u>	<u>7</u>
<b>EXPENDITURES</b>				
Salaries	-	-	-	-
Benefits	-	-	-	-
Purchased services	-	-	147,907	-
Supplies and materials	-	-	2,980	850
Payments to other governments	941,747	1,935,684	296,088	-
Total expenditures	<u>941,747</u>	<u>1,935,684</u>	<u>446,975</u>	<u>850</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	13	159,784	(2,399)	(843)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>544</u>	<u>311,935</u>	<u>4,533</u>	<u>1,306</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 557</u>	<u>\$ 471,719</u>	<u>\$ 2,134</u>	<u>\$ 463</u>

**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, 2009**

**SCHEDULE 5**  
**(CONTINUED)**

	<u>Title IV - 21st Century Community Learning Centers - 05</u>	<u>Title IV - 21st Century Community Learning Centers - 08</u>	<u>Truants Alternative Program</u>	<u>ARRA - General State Aid</u>	<u>Total</u>
<b>REVENUES</b>					
Federal sources	\$ 722,749	\$ 777,339	\$ -	\$ 618,565	\$ 2,563,095
State sources	-	-	279,651	-	3,313,761
Local sources					
Interest	415	466	62	-	4,202
Total revenues	<u>723,164</u>	<u>777,805</u>	<u>279,713</u>	<u>618,565</u>	<u>5,881,058</u>
<b>EXPENDITURES</b>					
Salaries	302,306	334,002	-	-	636,308
Benefits	65,930	72,174	-	-	138,104
Purchased services	285,571	307,484	-	-	740,962
Supplies and materials	24,776	19,513	-	-	48,119
Payments to other governments	44,166	44,166	279,651	618,565	4,160,067
Total expenditures	<u>722,749</u>	<u>777,339</u>	<u>279,651</u>	<u>618,565</u>	<u>5,723,560</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	415	466	62	-	157,498
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>7,253</u>	<u>3,042</u>	<u>1,215</u>	<u>-</u>	<u>329,828</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 7,668</u>	<u>\$ 3,508</u>	<u>\$ 1,277</u>	<u>\$ -</u>	<u>\$ 487,326</u>

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 EDUCATION FUND ACCOUNTS  
 BUDGETARY COMPARISON SCHEDULES  
 FOR THE YEAR ENDED JUNE 30, 2009**

**SCHEDULE 6**

	<u>Regional Safe Schools Program</u>			<u>McKinney Education for Homeless Children</u>			<u>Title IV - 21st Century Community Learning Centers - 05</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>									
Federal sources	\$ -	\$ -	\$ -	\$457,166	\$444,442	\$ (12,724)	\$ 743,200	\$722,749	\$ (20,451)
State sources	941,747	941,747	-	-	-	-	-	-	-
Local sources:									
Interest	-	13	13	-	134	134	-	415	415
Total revenues	<u>941,747</u>	<u>941,760</u>	<u>13</u>	<u>457,166</u>	<u>444,576</u>	<u>(12,590)</u>	<u>743,200</u>	<u>723,164</u>	<u>(20,036)</u>
<b>EXPENDITURES</b>									
Salaries	-	-	-	-	-	-	293,205	302,306	(9,101)
Benefits	-	-	-	-	-	-	56,839	65,930	(9,091)
Purchased services	-	-	-	117,528	147,907	(30,379)	318,069	285,571	32,498
Supplies and materials	-	-	-	1,800	2,980	(1,180)	23,487	24,776	(1,289)
Payments to other governments	941,747	941,747	-	337,838	296,088	41,750	51,600	44,166	7,434
Total expenditures	<u>941,747</u>	<u>941,747</u>	<u>-</u>	<u>457,166</u>	<u>446,975</u>	<u>10,191</u>	<u>743,200</u>	<u>722,749</u>	<u>20,451</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>									
	<u>\$ -</u>	<u>13</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>(2,399)</u>	<u>\$ (2,399)</u>	<u>\$ -</u>	<u>415</u>	<u>\$ 415</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>									
		<u>544</u>			<u>4,533</u>			<u>7,253</u>	
<b>FUND BALANCES, END OF YEAR</b>									
		<u>\$ 557</u>			<u>\$ 2,134</u>			<u>\$ 7,668</u>	

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 EDUCATION FUND ACCOUNTS  
 BUDGETARY COMPARISON SCHEDULES  
 FOR THE YEAR ENDED JUNE 30, 2009**

**SCHEDULE 6  
 (CONTINUED)**

	Title IV - 21st Century Community Learning Centers - 08			Truants Alternative Program			Total		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>									
Federal sources	\$787,500	\$777,339	\$ (10,161)	\$ -	\$ -	\$ -	\$1,987,866	\$1,944,530	\$ (43,336)
State sources	-	-	-	279,651	279,651	-	1,221,398	1,221,398	-
Local sources:									
Interest	-	466	466	-	62	62	-	1,090	1,090
Total revenues	<u>787,500</u>	<u>777,805</u>	<u>(9,695)</u>	<u>279,651</u>	<u>279,713</u>	<u>62</u>	<u>3,209,264</u>	<u>3,167,018</u>	<u>(42,246)</u>
<b>EXPENDITURES</b>									
Salaries	320,955	334,002	(13,047)	-	-	-	614,160	636,308	(22,148)
Benefits	65,911	72,174	(6,263)	-	-	-	122,750	138,104	(15,354)
Purchased services	330,669	307,484	23,185	-	-	-	766,266	740,962	25,304
Supplies and materials	18,365	19,513	(1,148)	-	-	-	43,652	47,269	(3,617)
Payments to other governments	51,600	44,166	7,434	279,651	279,651	-	1,662,436	1,605,818	56,618
Total expenditures	<u>787,500</u>	<u>777,339</u>	<u>10,161</u>	<u>279,651</u>	<u>279,651</u>	<u>-</u>	<u>3,209,264</u>	<u>3,168,461</u>	<u>40,803</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>									
	<u>\$ -</u>	<u>466</u>	<u>\$ 466</u>	<u>\$ -</u>	<u>62</u>	<u>\$ 62</u>	<u>\$ -</u>	<u>(1,443)</u>	<u>\$ (1,443)</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>									
		<u>3,042</u>			<u>1,215</u>			<u>16,587</u>	
<b>FUND BALANCES, END OF YEAR</b>									
		<u>\$ 3,508</u>			<u>\$ 1,277</u>			<u>\$ 15,144</u>	



WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 PROFESSIONAL DEVELOPMENT ALLIANCE FUNDS  
 COMBINING SCHEDULE OF ACCOUNTS  
 JUNE 30, 2009

SCHEDULE 7

	<u>Technology for Success (Formerly Learning Technology Center)</u>	<u>Standards Aligned Classroom - Area I</u>	<u>FY 2008 Title I - School Improvement and Accountability</u>	<u>FY 2009 Title I - School Improvement and Accountability</u>	<u>FY 2008 Title II - Teacher Quality - Leadership Grant</u>
<b>ASSETS</b>					
Cash and cash equivalents (overdrafts)	\$ (54,416)	\$ 4,500	\$ -	\$ 1,024,624	\$ -
Due from other governmental units	61,344	-	-	-	-
<b>TOTAL ASSETS</b>	<u>6,928</u>	<u>4,500</u>	<u>-</u>	<u>1,024,624</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	6,928	4,500	-	115,492	-
Due to other governmental units	-	-	-	202,501	-
Deferred revenues	-	-	-	706,631	-
Total liabilities	<u>6,928</u>	<u>4,500</u>	<u>-</u>	<u>1,024,624</u>	<u>-</u>
<b>FUND BALANCES</b>					
Unreserved	-	-	-	-	-
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 6,928</u>	<u>\$ 4,500</u>	<u>\$ -</u>	<u>\$ 1,024,624</u>	<u>\$ -</u>

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
PROFESSIONAL DEVELOPMENT ALLIANCE FUNDS  
COMBINING SCHEDULE OF ACCOUNTS  
JUNE 30, 2009**

**SCHEDULE 7  
(CONTINUED)**

	<b>FY 2009 Title II - Teacher Quality - Leadership Grant</b>	<b>FY08 Other State Programs (Support Services)</b>	<b>FY09 Other State Programs (Support Services)</b>	<b>Teacher and Administrators Mentoring</b>	<b>Other Federal Programs (ELL Grant)</b>	<b>Total</b>
<b>ASSETS</b>						
Cash and cash equivalents (overdrafts)	\$ 131,414	\$ -	\$ (10,320)	\$ (413)	\$ -	\$ 1,095,389
Due from other governmental units	-	-	213,893	2,387	-	277,624
<b>TOTAL ASSETS</b>	<b>131,414</b>	<b>-</b>	<b>203,573</b>	<b>1,974</b>	<b>-</b>	<b>1,373,013</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	27,435	-	84,934	1,974	-	241,263
Due to other governmental units	44,750	-	118,639	-	-	365,890
Deferred revenues	59,229	-	-	-	-	765,860
Total liabilities	131,414	-	203,573	1,974	-	1,373,013
<b>FUND BALANCES</b>						
Unreserved	-	-	-	-	-	-
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 131,414</b>	<b>\$ -</b>	<b>\$ 203,573</b>	<b>\$ 1,974</b>	<b>\$ -</b>	<b>\$ 1,373,013</b>

**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, 2009**

**SCHEDULE 8**

69

	<b>Technology for Success (Formerly Learning Technology Center)</b>	<b>Standards Aligned Classroom - Area I</b>	<b>FY 2008 Title I - School Improvement and Accountability</b>	<b>FY 2009 Title I - School Improvement and Accountability</b>	<b>FY 2008 Title II - Teacher Quality - Leadership Grant</b>
<b>REVENUES</b>					
State sources	\$ 158,931	\$ -	\$ -	\$ -	\$ -
Federal sources	-	45,000	778,952	2,265,979	35,059
Total revenues	<u>158,931</u>	<u>45,000</u>	<u>778,952</u>	<u>2,265,979</u>	<u>35,059</u>
<b>EXPENDITURES</b>					
Salaries	93,870	3,625	29,361	145,120	-
Benefits	27,585	1,194	10,242	51,438	-
Purchased services	15,379	21,794	219,997	566,453	10,523
Supplies and materials	5,346	387	2,979	15,481	4,483
Capital expenditures	16,751	-	-	-	-
Payments to other governments	-	18,000	516,373	1,487,487	20,053
Total expenditures	<u>158,931</u>	<u>45,000</u>	<u>778,952</u>	<u>2,265,979</u>	<u>35,059</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	-	-	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	-	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2009**

**SCHEDULE 8  
 (CONTINUED)**

	<b>FY 2009 Title II - Teacher Quality - Leadership Grant</b>	<b>FY08 Other State Programs (Support Services)</b>	<b>FY09 Other State Programs (Support Services)</b>	<b>Teacher and Administrators Mentoring</b>	<b>Other Federal Programs (ELL Grant)</b>	<b>Total</b>
<b>REVENUES</b>						
State sources	\$ -	\$ 73,517	\$ 511,588	\$ 2,387	\$ -	\$ 746,423
Federal sources	408,441	-	-	-	12,000	3,545,431
Total revenues	<u>408,441</u>	<u>73,517</u>	<u>511,588</u>	<u>2,387</u>	<u>12,000</u>	<u>4,291,854</u>
<b>EXPENDITURES</b>						
Salaries	20,177	14,010	55,714	-	-	361,877
Benefits	4,997	6,688	14,821	-	-	116,965
Purchased services	145,833	35,518	42,057	2,387	10,501	1,070,442
Supplies and materials	1,111	-	5,378	-	1,499	36,664
Capital expenditures	-	-	-	-	-	16,751
Payments to other governments	236,323	17,301	393,618	-	-	2,689,155
Total expenditures	<u>408,441</u>	<u>73,517</u>	<u>511,588</u>	<u>2,387</u>	<u>12,000</u>	<u>4,291,854</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>						
	-	-	-	-	-	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>						
	-	-	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>						
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 PROFESSIONAL DEVELOPMENT ALLIANCE FUNDS  
 BUDGETARY COMPARISON SCHEDULES  
 FOR THE YEAR ENDED JUNE 30, 2009**

**SCHEDULE 9**

	<b>Technology For Success (Formerly Learning Technology Center)</b>			<b>FY 2009 Title I - School Improvement and Accountability</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>						
Federal sources	\$ -	\$ -	\$ -	\$ 3,128,215	\$ 2,265,979	\$ (862,236)
State sources	158,931	158,931	-	-	-	-
Total revenues	<u>158,931</u>	<u>158,931</u>	<u>-</u>	<u>3,128,215</u>	<u>2,265,979</u>	<u>(862,236)</u>
<b>EXPENDITURES</b>						
Salaries	93,786	93,870	(84)	171,848	145,120	26,728
Benefits	27,281	27,585	(304)	62,763	51,438	11,325
Purchased services	16,664	15,379	1,285	766,450	566,453	199,997
Supplies and materials	4,500	5,346	(846)	20,000	15,481	4,519
Capital expenditures	16,450	16,751	(301)	-	-	-
Payments to other governments	250	-	250	2,107,154	1,487,487	619,667
Total expenditures	<u>158,931</u>	<u>158,931</u>	<u>-</u>	<u>3,128,215</u>	<u>2,265,979</u>	<u>862,236</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>		<u>-</u>			<u>-</u>	
<b>FUND BALANCES, END OF YEAR</b>		<u>\$ -</u>			<u>\$ -</u>	

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 PROFESSIONAL DEVELOPMENT ALLIANCE FUNDS  
 BUDGETARY COMPARISON SCHEDULES  
 FOR THE YEAR ENDED JUNE 30, 2009**

**SCHEDULE 9  
 (CONTINUED)**

	FY 2009 Title II - Teacher Quality - Leadership Grant			FY09 Other State Programs (Support Services)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
Federal sources	\$ 514,441	\$ 408,441	\$ (106,000)	\$ -	\$ -	\$ -
State sources	-	-	-	654,925	511,588	(143,337)
Total revenues	514,441	408,441	(106,000)	654,925	511,588	(143,337)
<b>EXPENDITURES</b>						
Salaries	23,230	20,177	3,053	59,250	55,714	3,536
Benefits	7,811	4,997	2,814	16,800	14,821	1,979
Purchased services	124,671	145,833	(21,162)	108,804	42,057	66,747
Supplies and materials	9,000	1,111	7,889	10,064	5,378	4,686
Capital expenditures	-	-	-	-	-	-
Payments to other governments	349,729	236,323	113,406	460,007	393,618	66,389
Total expenditures	514,441	408,441	106,000	654,925	511,588	143,337
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>		-			-	
<b>FUND BALANCES, END OF YEAR</b>		<b>\$ -</b>			<b>\$ -</b>	

WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 PROFESSIONAL DEVELOPMENT ALLIANCE FUNDS  
 BUDGETARY COMPARISON SCHEDULES  
 FOR THE YEAR ENDED JUNE 30, 2009

SCHEDULE 9  
 (CONTINUED)

	<u>Teacher and Administrators Mentoring</u>			<u>Other Federal Programs (ELL Grant)</u>			<u>Total</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>									
Federal sources	\$ -	\$ -	\$ -	\$ 12,000	\$ 12,000	\$ -	\$ 3,654,656	\$ 2,686,420	\$ (968,236)
State sources	28,915	2,387	(26,528)	-	-	-	842,771	672,906	(169,865)
Total revenues	28,915	2,387	(26,528)	12,000	12,000	-	4,497,427	3,359,326	(1,138,101)
<b>EXPENDITURES</b>									
Salaries	-	-	-	-	-	-	348,114	314,881	33,233
Benefits	-	-	-	-	-	-	114,655	98,841	15,814
Purchased services	17,800	2,387	15,413	10,570	10,501	69	1,044,959	782,610	262,349
Supplies and materials	2,115	-	2,115	1,430	1,499	(69)	47,109	28,815	18,294
Capital expenditures	-	-	-	-	-	-	16,450	16,751	(301)
Payments to other governments	9,000	-	9,000	-	-	-	2,926,140	2,117,428	808,712
Total expenditures	28,915	2,387	26,528	12,000	12,000	-	4,497,427	3,359,326	1,138,101
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>		<u>-</u>			<u>-</u>			<u>-</u>	
<b>FUND BALANCES, END OF YEAR</b>		<u>\$ -</u>			<u>\$ -</u>			<u>\$ -</u>	

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2009**

**SCHEDULE 10**

	<b>General Education Development</b>	<b>School Bus Driver Training</b>	<b>Supervisory</b>	<b>Lambert</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 32,434	\$ 16,862	\$ 365	\$ 761	\$ 50,422
Accounts receivable	-	1,820	-	-	1,820
<b>TOTAL ASSETS</b>	<u>32,434</u>	<u>18,682</u>	<u>365</u>	<u>761</u>	<u>52,242</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	-	1,402	-	-	1,402
<b>FUND BALANCES</b>					
Unreserved	<u>32,434</u>	<u>17,280</u>	<u>365</u>	<u>761</u>	<u>50,840</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 32,434</u>	<u>\$ 18,682</u>	<u>\$ 365</u>	<u>\$ 761</u>	<u>\$ 52,242</u>



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

**SCHEDULE 11**

**NONMAJOR SPECIAL REVENUE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED JUNE 30, 2009**

	<b>General Education Development</b>	<b>School Bus Driver Training</b>	<b>Supervisory</b>	<b>Lambert</b>	<b>Total</b>
<b>REVENUES</b>					
State sources	\$ -	\$ 3,246	\$ 1,000	\$ -	\$ 4,246
Local sources					
Fees for services	62,881	4,740	-	-	67,621
Interest	233	135	18	8	394
Miscellaneous	1,720	-	-	-	1,720
Total revenues	<u>64,834</u>	<u>8,121</u>	<u>1,018</u>	<u>8</u>	<u>73,981</u>
<b>EXPENDITURES</b>					
Purchased services	42,044	4,632	-	-	46,676
Supplies and materials	10,312	-	-	-	10,312
Miscellaneous	469	1,272	1,535	-	3,276
Total expenditures	<u>52,825</u>	<u>5,904</u>	<u>1,535</u>	<u>-</u>	<u>60,264</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	12,009	2,217	(517)	8	13,717
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>20,425</u>	<u>15,063</u>	<u>882</u>	<u>753</u>	<u>37,123</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 32,434</u>	<u>\$ 17,280</u>	<u>\$ 365</u>	<u>\$ 761</u>	<u>\$ 50,840</u>

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56**  
**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**JUNE 30, 2009**

**SCHEDULE 12**

	<u>Distributive</u>	<u>Forest Conservation</u>	<u>Statewide Independent Living Council</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 292,745	\$ -	\$ 11,416	\$ 304,161
<b>LIABILITIES</b>				
Distributive payable	292,745	-	-	292,745
Due to other governmental units	-	-	11,416	11,416
Total liabilities	\$ 292,745	\$ -	\$ 11,416	\$ 304,161

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

**SCHEDULE 13**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
<b>DISTRIBUTIVE</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,788	\$ 9,678,204	\$ 9,395,247	\$ 292,745
<b>LIABILITIES</b>				
Distributive payable	\$ 9,788	\$ 9,678,204	\$ 9,395,247	\$ 292,745
<b>FOREST CONSERVATION</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 26,697	\$ 26,697	\$ -
<b>LIABILITIES</b>				
Due to other governmental units	\$ -	\$ 26,697	\$ 26,697	\$ -
<b>STATEWIDE INDEPENDENT LIVING COUNCIL</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 15,909	\$ 4,493	\$ 11,416
<b>LIABILITIES</b>				
Due to other governmental units	\$ -	\$ 15,909	\$ 4,493	\$ 11,416
<b>TOTAL ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,788	\$ 9,720,810	\$ 9,426,437	\$ 304,161
<b>LIABILITIES</b>				
Distributive payable	9,788	9,678,204	9,395,247	292,745
Due to other governmental units	-	42,606	31,190	11,416
Total liabilities	\$ 9,788	\$ 9,720,810	\$ 9,426,437	\$ 304,161

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHERS  
FOR THE YEAR ENDED JUNE 30, 2009**

**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	\$ 2,092,363	\$ -	\$ -	\$ 2,092,363
ROE School Bus Driver Training	3,246	-	-	3,246
Regional Safe Schools	513,678	-	-	513,678
Truants Alternative Program	177,959	-	-	177,959
ROE/ISC Operations	-	204,169	-	204,169
Supervisory Expense	1,000	-	-	1,000
Title I - School Improvement	-	2,972,609	-	2,972,609
Title II - Teacher Quality Leadership Grant	-	467,670	-	467,670
Technology for Success (Formerly Learning Technology Center)	-	124,382	-	124,382
21st Century Community Learning Centers Program	1,456,380	-	-	1,456,380
McKinney Education for Homeless Children	438,461	-	-	438,461
Other Federal Programs	-	12,000	-	12,000
ARRA - General State Aid	618,565	-	-	618,565
Other State Programs	-	297,695	-	297,695
Transportation - Regular & Vocational	-	-	15,070	15,070
	<u>\$ 5,301,652</u>	<u>\$ 4,078,525</u>	<u>\$ 15,070</u>	<u>\$ 9,395,247</u>

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2009**

**SCHEDULE 15**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through Number	FY 2009 Expenditures
<b>DEPARTMENT OF EDUCATION</b>			
Title I Grants to Local Educational Agencies			
Passed-Through Illinois State Board of Education			
<i>Title I - School Improvement and Accountability</i>	(M) 84.010A	2008-4331-SS	\$ 778,952
<i>Title I - School Improvement and Accountability</i>	(M) 84.010A	2009-4331-SS	<u>2,265,979</u>
			3,044,931
Passed-Through Clark, Coles, Cumberland, Douglas, Edgar, Moultrie and Shelby Counties Regional Office of Education No. 11			
<i>Standards Aligned Classroom - Area I</i>	(M) 84.010A	2008-4331-00	<u>45,000</u>
			3,089,931
Twenty-First Century Community Learning Centers			
Passed-Through Illinois State Board of Education			
<i>Title IV - 21st Century Community Learning Centers</i>	84.287C	2009-4421-05	722,749
<i>Title IV - 21st Century Community Learning Centers</i>	84.287C	2009-4421-08	<u>777,339</u>
			1,500,088
Improving Teacher Quality State Grants			
Passed-Through Illinois State Board of Education			
<i>Title II - Teacher Quality - Leadership Grant</i>	84.367A	2008-4935-SS	35,059
<i>Title II - Teacher Quality - Leadership Grant</i>	84.367A	2009-4935-SS	<u>408,441</u>
			443,500
Education for Homeless Children and Youth			
Passed-Through Illinois State Board of Education			
<i>McKinney Education for Homeless Children</i>	(M) 84.196A	2009-4920-00	<u>444,442</u>
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)			
Passed-Through Illinois State Board of Education			
<i>ARRA - General State Aid</i>	(M) 84.394A	2009-4850-92	96,633
<i>ARRA - General State Aid</i>	(M) 84.394A	2009-4850-93	<u>521,932</u>
			618,565
English Language Acquisition Grants			
Passed-Through Illinois State Board of Education			
<i>Other Federal Programs</i>	84.365	2009-4999-PD	<u>12,000</u>
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<b><u>\$ 6,108,526</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 6,108,526</u></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, 2009**

**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 \$3,174,889 to the following:

Subrecipients	FY 2008/ FY 2009 Title I - School Improvement and Accountability (CFDA #84.010A)	FY 2008/ FY 2009 Title II - Teacher Quality - Leadership Grant (CFDA #84.367A)	FY 2009 McKinney Education for Homeless Children (CFDA #84.196A)	ARRA - General State Aid (CFDA #84.394A)	Total
DuPage County ROE No. 19	\$ 534,956	\$ 74,998	\$ 35,850	\$ -	\$ 645,804
Kane County ROE No. 31	534,117	92,561	52,836	-	679,514
Lake County ROE No. 34	934,787	88,817	50,714	-	1,074,318
Suburban Cook County ROE No. 14	-	-	100,000	-	100,000
Grundy/Kendall Counties ROE No. 24	-	-	19,325	618,565	637,890
Various school districts	-	-	37,363	-	37,363
Total	<u>\$ 2,003,860</u>	<u>\$ 256,376</u>	<u>\$ 296,088</u>	<u>\$ 618,565</u>	<u>\$ 3,174,889</u>

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

FY 2008/2009 Title I - School Improvement and Accountability was created to provide school districts with funds to carry out their school improvement and corrective action

**WILL COUNTY REGIONAL OFFICE OF EDUCATION NO. 56  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2009**

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.

Standards Aligned Classroom - Area 1 was created to apply the principles of sound instructional and assessment design as a way to incorporate the State Standards into their lesson plans.

McKinney Education for Homeless Children was created to provide counseling and educational support to homeless children and their families. The programs are funded by a Federal Stewart B. McKinney Education for Homeless Children and Youth Grant administered through the Illinois State Board of Education.

ARRA - General State Aid was allocated through the State Fiscal Stabilization Funds (SFSF) section of the American Recovery and Reinvestment Act (ARRA). These funds will help stabilize the possible impact of the State's current fiscal deficit upon payment of general State aid to school districts.

**Note 4. Non-Cash Assistance**

Not applicable.

**Note 5. Amount of Insurance**

Not applicable.

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

Not applicable.