

State of Illinois
CARROLL, JO DAVIESS, AND
STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
FINANCIAL AUDIT

For the Year Ended June 30, 2009

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

CONTENTS

	<u>Page Number</u>
OFFICIALS	1
FINANCIAL REPORT SUMMARY	2
FINANCIAL STATEMENT REPORT SUMMARY	3
FINANCIAL SECTION	
Independent Auditor's Report	4-5
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	6-7
Schedule of Findings and Questioned Costs	8-9
Corrective Action Plan for Current-Year Audit Findings	10
Summary Schedule of Prior Audit Findings	11
Management's Discussion and Analysis	12-25
BASIC FINANCIAL STATEMENTS	26
Government-wide Financial Statements:	
Statement of Net Assets	27
Statement of Activities	28
Governmental Fund Financial Statements:	
Balance Sheet – Governmental Funds	29
Reconciliation of the Governmental Funds Balance Sheet To the Statement of Net Assets	30
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities Governmental Funds	32
Proprietary Fund Financial Statements:	
Statement of Net Assets – Proprietary Funds	33
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	34
Statement of Cash Flows – Proprietary Funds	35
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Assets – Fiduciary Funds	36
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	37
Notes to the Financial Statements	38-58

CONTENTS
(Continued)

REQUIRED SUPPLEMENTAL INFORMATION	59
Schedule of Funding Progress – Illinois Municipal Retirement Fund (Unaudited)	60
SUPPLEMENTAL INFORMATION	61
General Fund:	
Combining Schedule of Accounts	62
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	63
Budgetary Comparison Schedule	64
Education Fund Accounts:	
Combining Schedule of Accounts	65
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	66
Budgetary Comparison Schedule	67-71
Combining Balance Sheet – Nonmajor Special Revenue Funds	72
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	73
Fiduciary Funds:	
Combining Statement of Fiduciary Net Assets – Private-Purpose Trust Funds	74
Combining Statement of Changes in Fiduciary Net Assets- Private-Purpose Trust Funds	75
Combining Statement of Fiduciary Net Assets- Agency Funds	76
Combining Statement of Changes in Assets and Liabilities- Agency Funds	77
Schedule of Disbursements to School District Treasurers And Other Entities	78

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8**

OFFICIALS

Regional Superintendent
(current and during the audit period)

Honorable Marie Stiefel

Assistant Superintendent
(current)

Aaron Mercier

Assistant Superintendent
(6 months during the audit period)

John Lang

Assistant Superintendent
(5.5 months during the audit period)

Catherine Finch

Office is located at:

500 N. Rush St.
Stockton, Illinois 61085

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8**

FINANCIAL REPORT SUMMARY

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

AUDITOR'S REPORTS

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

SUMMARY OF AUDIT FINDINGS

Number of	This Audit	Prior Audit
Audit findings	0	2
Repeated audit findings	0	0
Prior recommendations implemented Or not repeated	2	2

One 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' report.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
-NONE-			
PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)			
08-1	11	Inadequate Controls Over Cash Management	Significant Deficiency
08-2	11	Improper Allocation of Funds to Private Schools	Significant Deficiency

EXIT CONFERENCE

An informal exit conference was held with agency personal on July 23, 2010. Attending were Honorable Marie Stiefel, Regional Superintendent, and Jeffery Johnson, Senior Manager with Lindgren, Callihan, Van Osdol & Co., LTD.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8**

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 was performed by Lindgren, Callihan, Van Osdol & Co., LTD.

Based on their audit, the auditors expressed an unqualified opinion on the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's basic financial statements.



INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8, as of and for the year ended June 30, 2009, which collectively comprise the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8'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 Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8, 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 our report dated July 23, 2010, on our consideration of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 12 through 25 and 60 are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's basic financial statements. The accompanying supplemental information, such as the combining and individual nonmajor fund financial statements, budgetary comparison schedules and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sidgr, Collier, Van Osdel & Co, Ltd.

Dixon, Illinois
July 23, 2010

**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, business-type activities, each major fund, and the aggregate remaining fund information of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8, as of and for the year ended June 30, 2009, which collectively comprise the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's basic financial statements and have issued our report thereon dated July 23, 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 Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8'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 Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8'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 a 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 the 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 in 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 Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8'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*.

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



Dixon, Illinois
July 23, 2010

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2009

Section II: Financial Statement Findings:

-N/A-

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
Year Ended June 30, 2009**

Corrective Action Plan:

-N/A-

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2009

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
08-1	Inadequate Controls Over Cash Management	Resolved
08-2	Improper Allocation of Funds to Private Schools	Resolved

MANAGEMENT'S DISCUSSION AND ANALYSIS

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 provides this Management's Discussion and Analysis of its' financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2009. We encourage readers to consider this information in conjunction with Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's financial statements, which follow.

2009 FINANCIAL HIGHLIGHTS

General Fund revenues decreased from \$1,310,701 in fiscal year 2008 to \$1,291,163 in fiscal year 2009, while General Fund expenditures also decreased from \$1,308,155 in fiscal year 2008 to \$1,286,601 in fiscal year 2009. The General Fund is made up of three sub funds: Counties Support, ROE Operations, and Special Services. The decrease in revenues and expenditures can be attributed to the Special Services Fund. This decrease of revenues is primarily due to the Freeport Alternative High School that the Regional Office administers. The reimbursement for salaries by the Freeport School District #145 decreased by \$128,651. Some of this decrease was offset by the federal source income which increased by \$83,947 of General State Aid – ARRA funds. The decrease in expenditures is due to payments to other governments made by Freeport Alternative High School which decreased by \$103,287.

Education Fund revenues increased from \$2,720,898 in 2008 to \$3,901,287 in 2009. Expenses also increased from \$2,721,589 in 2008 to \$3,926,378 in 2009. These increases are due to the inclusion of the ROE Programs and Services program within the fund.

During the year, it was determined the ROE Programs and Services Intergovernmental Agreement should be included in the report of the Regional Office of Education #8. This Intergovernmental Agreement is an agreement among the Regional Office of Education and the school districts within Carroll and Jo Daviess counties. This inclusion of the Intergovernmental Agreement resulted in a prior period adjustment of the Education Fund fund balance of \$539,154. See Note 17 for more details.

The Education Fund is made up of fourteen different grant funds the Regional Office receives through the State Board of Education along with other sources. Some grants are new or increased while others decreased or were not funded in fiscal year 2009. The following grant programs were lost in fiscal year 2009:

Title V – Innovative Programs Formula
Title I – Migrant Education

USING THIS ANNUAL REPORT

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8'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 Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 as a whole and present an overall view of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's finances.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**
June 30, 2009

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 acts solely as an agent or custodian for the benefit of those outside of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8.

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

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

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

Figure A-1 summarizes the major features of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's financial statements, including the portion of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's activities they cover and the types of information they contain.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 June 30, 2009

Figure A-1 Major Features of the Government-wide and fund Financial Statements				
	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Regional Office of Education #8 (except fiduciary funds)	The activities of Regional Office of Education #8 that are not proprietary or fiduciary, such as grants and statutory funds	Activities Regional Office of Education #8 operates similar to private businesses: workshops	Instances in which Regional Office of Education #8 administers resources on behalf of someone else, such as the distributive fund and Parriott Scholarship Trust
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statements of Net Assets • Statement of Revenues, Expenses, and Changes in Fund Net Assets • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Assets • Statement of Changes in Fiduciary Net Assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**
June 30, 2009

REPORTING CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES REGIONAL OFFICE OF EDUCATION #8'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's net assets and how they have changed. Net assets – the difference between Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's assets and liabilities – are one way to measure Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's financial health or financial position. Over time, increases or decreases in Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's net assets are an indicator of whether financial position is improving or deteriorating. To assess Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's overall health, additional non-financial factors, such as changes in Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's grant funding and the condition of facilities need to be considered.

In the government-wide financial statements, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's activities are divided into two categories:

- *Governmental activities:* Most of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's basic services are included here, such as grants and statutory funds. Federal and state grant proceeds finance most of these activities.
- *Business-type activities:* Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 charges fees to help cover the costs of certain services it provides. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's Workshop Fund is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's funds, focusing on its most significant or "major" funds – not Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 as a whole. Funds are accounting devices Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 uses to keep track of specific sources of funding and spending on particular programs.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**
June 30, 2009

Some funds are required by state law. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 establishes other funds to control and manage money for particular purposes, such as accounting for special revenue funds, or to show that it is properly using certain revenues, such as federal grants.

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 has three kinds of funds:

- 1) *Governmental funds*: Most of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's programs.

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's governmental funds include the General Fund and Special Revenue Funds.

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

- 2) *Proprietary funds*: Services for which Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. Carroll, Jo Daviess, and Stephenson Counties Regional office of Education #8's Enterprise Funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 currently has one Enterprise Fund, the Workshop Fund.

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

- 3) *Fiduciary funds*: Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 is the trustee for assets that belong to others. These funds include Private-Purpose Trust Funds and Agency Funds.

- Private-Purpose Trust Funds – These are funds that exist to account for the E.H. Parriott Scholarship Trust Principal and Interest that provide scholarships for individual students.
- Agency Funds – These are funds through which Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 administers and accounts for certain federal and/or state grants on behalf of others.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2009

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8, assets exceeded liabilities by \$684,725 as of June 30, 2009.

A portion of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's net assets (9%) reflects its investment in capital assets (e.g., furniture and equipment), less any related debt used to acquire those assets that are still outstanding. Although Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's financial position is the product of several financial transactions including the net results of activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's net assets for the fiscal year ended June 30, 2009 and 2008.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2009

	Governmental Activities	Business-Type Activities	Total
<u>2009</u>			
Current assets	\$ 1,438,831	\$ 70,040	\$ 1,508,871
Capital assets, net of accumulated depreciation	59,019	-0-	59,019
Total assets	<u>1,497,850</u>	<u>70,040</u>	<u>1,567,890</u>
Current liabilities	<u>875,994</u>	<u>7,171</u>	<u>883,165</u>
Net assets			
Invested in capital assets, net of related debt	59,019	-0-	59,019
Unrestricted	547,636	62,869	610,505
Restricted for teacher professional development	<u>15,201</u>	<u>-0-</u>	<u>15,201</u>
Total net assets	<u>\$ 621,856</u>	<u>\$ 62,869</u>	<u>\$ 684,725</u>
<u>2008</u>			
Current assets	\$ 274,380	\$ 64,287	\$ 338,667
Capital assets, net of accumulated depreciation	8,354	-0-	8,354
Total assets	<u>282,734</u>	<u>64,287</u>	<u>347,021</u>
Current liabilities	<u>224,399</u>	<u>1,400</u>	<u>225,799</u>
Net assets			
Invested in capital assets, net of related debt	8,354	-0-	8,354
Unrestricted	29,816	62,887	92,703
Restricted for teacher professional development	<u>20,165</u>	<u>-0-</u>	<u>20,165</u>
Total net assets	<u>\$ 58,335</u>	<u>\$ 62,887</u>	<u>\$ 121,222</u>

The largest portion of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's net assets is unrestricted. Unrestricted net assets are the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements. Unrestricted net assets were \$610,505 at year end. In addition, net assets related to the Institute Fund are considered restricted for teacher professional development.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

June 30, 2009

Changes in net assets. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's total revenue for the fiscal year ended June 30, 2009 was \$5,349,875. The total cost of all programs and services was \$5,393,980. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2009 and 2008.

<u>2009</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ -0-	\$ 101,739	\$ 101,739
Operating grants and contributions	3,195,557	8,700	3,204,257
General revenues			
Local sources	1,770,723	-0-	1,770,723
On-behalf payment	272,482	-0-	272,482
Investment earnings	-0-	674	674
	<u>5,238,762</u>	<u>111,113</u>	<u>5,349,875</u>
Total revenues			
Expenses:			
Education			
Salaries	1,372,195	-0-	1,372,195
Employee benefits	273,743	-0-	273,743
Purchased services	1,902,756	97,691	2,000,447
Supplies and materials	234,446	3,609	238,055
Depreciation	18,986	-0-	18,986
Payments to other governments	1,205,735	9,831	1,215,566
Capital outlay	2,506	-0-	2,506
Administrative			
On-behalf payments	272,482	-0-	272,482
	<u>5,282,849</u>	<u>111,131</u>	<u>5,393,980</u>
Total expenses			
Change in net assets	(44,087)	(18)	(44,105)
Net assets, beginning (Restated, See note 17)	<u>665,943</u>	<u>62,887</u>	<u>728,830</u>
Net assets, ending	<u>\$ 621,856</u>	<u>\$ 62,869</u>	<u>\$ 684,725</u>

State source revenues account for 51% of the total revenue. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's expenses primarily relate to education, which account for 95% of the total expenses.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 June 30, 2009

<u>2008</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ -0-	\$ 108,387	\$ 108,387
Operating grants and contributions	3,152,573	-0-	3,152,573
General revenues			
Local sources	677,619	-0-	677,619
State sources	6,268	-0-	6,268
On-behalf payment	253,973	-0-	253,973
Investment earnings	-0-	899	899
 Total revenues	 <u>4,090,433</u>	 <u>109,286</u>	 <u>4,199,719</u>
Expenses:			
Education			
Salaries	1,294,086	-0-	1,294,086
Employee benefits	252,156	-0-	252,156
Purchased services	1,226,417	109,457	1,335,874
Supplies and materials	59,161	4,069	63,230
Depreciation	6,062	-0-	6,062
Payments to other governments	1,003,523	-0-	1,003,523
Capital outlay	9,257	-0-	9,257
Administrative			
On-behalf payments	253,973	-0-	253,973
 Total expenses	 <u>4,104,635</u>	 <u>113,526</u>	 <u>4,218,161</u>
 Change in net assets	 (14,202)	 (4,240)	 (18,442)
 Net assets, beginning	 <u>72,537</u>	 <u>67,127</u>	 <u>139,664</u>
 Net assets, ending	 <u>\$ 58,335</u>	 <u>\$ 62,887</u>	 <u>\$ 121,222</u>

Operating grants and contributions account for 75% of the total revenue. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's expenses primarily relate to education, which account for 94% of the total expenses.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

June 30, 2009

Governmental Activities

Revenues for governmental activities were \$5,238,762 and \$4,090,433 and expenses were \$5,282,849 and \$4,104,635 for 2009 and 2008, respectively.

The following tables present the cost of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's functional governmental activities. The tables also show each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's residents by each of these functions.

	Total Expenses	Net (Expenses) Revenues
<u>2009</u>		
Education		
Salaries	\$ 1,372,195	\$ (454,517)
Employee benefits	273,743	(19,039)
Purchased services	1,902,756	(999,522)
Supplies and materials	234,446	(188,708)
Depreciation	18,986	(18,986)
Payments to other governments	1,205,735	(131,532)
Capital Outlay	2,506	(2,506)
Administrative		
On-behalf payments	272,482	(272,482)
Total expenses	\$ 5,282,849	\$ (2,087,292)

	Total Expenses	Net (Expenses) Revenues
<u>2008</u>		
Education		
Salaries	\$ 1,294,086	\$ (232,935)
Employee benefits	252,156	(45,388)
Purchased services	1,226,417	(220,755)
Supplies and materials	59,161	(10,649)
Depreciation	6,062	(6,062)
Payments to other governments	1,003,523	(180,634)
Capital Outlay	9,257	(1,666)
Administrative		
On-behalf payments	253,973	(253,973)
Total expenses	\$ 4,104,635	\$ (952,062)

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2009

- The cost of all governmental activities was \$5,282,849 and \$4,104,635 for 2009 and 2008, respectively.
- Federal and State governments subsidized certain governmental activities with grants and contributions of \$3,195,557 and \$3,152,573 for 2009 and 2008, respectively.

Net cost of governmental activities (\$2,087,292), was financed by general revenues, which are made up of primarily local sources \$(1,770,723) and on-behalf payments (\$272,482) for 2009.

Net cost of governmental activities (\$952,062), was financed by general revenues, which are made up of primarily local sources (\$677,619), state sources (\$6,268), and on-behalf payments (\$253,973) for 2008.

Business-Type Activities

Revenues for business-type activities were \$111,113 and \$109,286 and expenses were \$111,131 and \$113,526 for 2009 and 2008, respectively. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's business-type activities include the Workshop Fund. Revenues of these activities were comprised of charges for services, Federal source revenue, and investment income.

INDIVIDUAL FUND ANALYSIS

As previously noted, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 as a whole is reflected in its governmental funds, as well. As Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 completed the year, its governmental funds reported a combined fund balance of \$26,298, below last year's restated ending fund balances of \$589,135.

Governmental Fund Highlights

The General Fund fund balance increased from \$13,609 in 2008 to \$18,171 in 2009. The increase in fund balance was small in comparison to expenditures of \$1,286,601. The General Fund includes the Special Services accounts, which reflect revenue and expenses for Freeport Alternative High School (FAHS). There is an exchange of funds between Freeport District #145 and the Regional Office, since District #145 receives the State Aid the Regional Office generates but in turn reimburses the ROE for payroll costs for FAHS. There is a time delay between billings and payment, which creates fluctuation from year to year in the fund balance.

The Education Fund restated fund balance decreased from \$549,421 in 2008 to \$524,330 in 2009. The Education Fund is primarily made up of grants the Regional Office receives and this can vary greatly from year to year as some programs are discontinued while others see a funding increase.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 June 30, 2009

Over the various programs that make up the fund, total expenditures exceeded revenues by \$25,091 thus decreasing the fiscal year 2009 balance from \$549,421 to \$524,330 in fiscal year 2009. In consideration that the total Education Fund revenue is \$3,901,287, \$25,091 is a very small change. The fund balance of \$524,330 represents a carryover primarily comprised of local donations and is designated for specific projects of the Early Intervention program, which serves birth-to-three-year old children with disabilities and their families and the ROE Programs and Services which provides services to the districts within Carroll and Jo Daviess Counties.

Proprietary Fund Highlights

Workshop Fund net assets decreased from \$62,887 at June 30, 2008, to \$62,869 at June 30, 2009, representing a decrease of approximately 0.03%. The Workshop Fund's assets are primarily made up of funds the Regional Office receives and expends in providing for-credit college course work and workshops for professional development.

The Workshop Fund operating revenues have increased from \$108,387 in fiscal year 2008 to \$110,439 in fiscal year 2009. Revenue in the Workshop Fund is largely dependent on participation in the ROE workshops, which varies from year to year. Some additional factors are that most of the workshops are offered during the summer which spans two fiscal years; the revenue can be affected by which fiscal year a workshop is offered in. Also, some years not as many teachers are up for teaching certificate renewal, which requires attending professional development activities.

BUDGETARY HIGHLIGHTS

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 is not required to create a budget for overall operations. They are required to prepare budgets for most of the grants they receive. Over the course of the year, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 amended several of the grant budgets within the Education Fund. Budgets for grant programs are adjusted because of an increase or decrease in funding due to changes at the State level or to better allocate funds received to meet the needs of the program.

CAPITAL ASSETS

As of June 30, 2009, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 had invested \$305,706 in capital assets, including furniture and equipment. Total depreciation expense for the year was \$18,986.

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2009:

	Governmental Activities	Business-Type Activities	Total
Furniture and equipment	<u>\$59,019</u>	<u>\$ -0-</u>	<u>\$59,019</u>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2009**

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2008:

	Governmental Activities	Business-Type Activities	Total
Furniture and equipment	<u>\$8,354</u>	<u>\$ -0-</u>	<u>\$8,354</u>

Additional information on Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's capital assets can be found in Note 9 on page 55 of this report.

ECONOMIC FACTORS BEARING ON CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES REGIONAL OFFICE OF EDUCATION #8'S FUTURE

At the time these financial statements were prepared and audited, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 was aware of several existing circumstances that could significantly affect its financial health in the future.

A substantial proportion of the Regional Office funds come from State grants and programs. From year to year, the Regional Office does not know until the State Budget is finalized, sometime between May to August, whether a program will be funded or at what level. For the past seven years, the State Budget has been a difficult process due to increased spending and finding the needed sources of revenue to meet the budget.

The recent economic downturn that started in the summer of 2008 will have a major impact on both State and County revenues that support the Regional Office operations. The Governor has called upon all State agencies to reduce their spending during the current fiscal year, FY10, below the approved budget due to projected revenue shortfalls.

One could expect that for FY11, there may be flat funding of programs or the elimination of some grant programs.

CONTACTING CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES REGIONAL OFFICE OF EDUCATION #8'S FINANCIAL MANAGEMENT

This financial report is designed to provide Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's citizens, taxpayers, customers, and creditors with a general overview of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's finances and to demonstrate Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8, 500 North Rush Street, Stockton, Illinois 61085.

BASIC FINANCIAL STATEMENTS

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
STATEMENT OF NET ASSETS
June 30, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 278,709	\$ 70,040	\$ 348,749
Due from other governments	<u>1,160,122</u>	<u>-</u>	<u>1,160,122</u>
Total current assets	1,438,831	70,040	1,508,871
Non-current assets:			
Capital assets, being depreciated, net	<u>59,019</u>	<u>-</u>	<u>59,019</u>
Total assets	<u>1,497,850</u>	<u>70,040</u>	<u>1,567,890</u>
LIABILITIES			
Current liabilities:			
Accounts payable	591,560	7,171	598,731
Accrued payroll and employee benefits	115,081	-	115,081
Due to other governments	147,949	-	147,949
Deferred revenue	<u>21,404</u>	<u>-</u>	<u>21,404</u>
Total current liabilities	<u>875,994</u>	<u>7,171</u>	<u>883,165</u>
NET ASSETS			
Investment in capital assets, net of related debt	59,019	-	59,019
Unrestricted	547,636	62,869	610,505
Restricted for teacher professional development	<u>15,201</u>	<u>-</u>	<u>15,201</u>
Total net assets	<u>\$ 621,856</u>	<u>\$ 62,869</u>	<u>\$ 684,725</u>

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
STATEMENT OF ACTIVITIES
Year Ended June 30, 2009

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	
Primary government:						
Governmental activities:						
Education:						
Salaries	\$ 1,372,195	\$ -	\$ 917,678	\$ (454,517)	\$ -	\$ (454,517)
Employee benefits	273,743	-	254,704	(19,039)	-	(19,039)
Purchased services	1,902,756	-	903,234	(999,522)	-	(999,522)
Supplies and materials	234,446	-	45,738	(188,708)	-	(188,708)
Depreciation	18,986	-	-	(18,986)	-	(18,986)
Payments to other governments	1,205,735	-	1,074,203	(131,532)	-	(131,532)
Capital outlay	2,506	-	-	(2,506)	-	(2,506)
Administrative:						
On-behalf payments	272,482	-	-	(272,482)	-	(272,482)
Total governmental activities	5,282,849	-	3,195,557	(2,087,292)	-	(2,087,292)
Business-type activities:						
Other	111,131	101,739	8,700	-	(692)	(692)
Total primary government	\$ 5,393,980	\$ 101,739	\$ 3,204,257	(2,087,292)	(692)	(2,087,984)
General revenues:						
Local sources				1,770,723	-	1,770,723
On-behalf payments				272,482	-	272,482
Investment earnings				-	674	674
Total general revenue				2,043,205	674	2,043,879
CHANGES IN NET ASSETS				(44,087)	(18)	(44,105)
NET ASSETS, BEGINNING OF YEAR						
RESTATED, SEE NOTE 17				665,943	62,887	728,830
NET ASSETS, END OF YEAR				\$ 621,856	\$ 62,869	\$ 684,725

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009

	Special Revenue			
	General	Education	Other	Total
	Fund	Fund	Nonmajor	Governmental
	Fund	Fund	Funds	Funds
ASSETS				
Cash and cash equivalents	\$ 58,108	\$ 199,705	\$ 20,896	\$ 278,709
Due from other funds	-	55,000	-	55,000
Due from other governments	145,369	1,014,753	-	1,160,122
TOTAL ASSETS	\$ 203,477	\$ 1,269,458	\$ 20,896	\$ 1,493,831
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 30,225	\$ 560,775	\$ 560	\$ 591,560
Accrued expenses	115,081	-	-	115,081
Due to other governments	-	147,949	-	147,949
Due to other funds	40,000	15,000	-	55,000
Deferred revenue	-	21,404	-	21,404
Total liabilities	185,306	745,128	560	930,994
FUND BALANCES				
Unreserved, reported in:				
General fund	18,171	-	-	18,171
Special revenue funds	-	524,330	20,336	544,666
Total fund balances	18,171	524,330	20,336	562,837
TOTAL LIABILITIES AND FUND BALANCES	\$ 203,477	\$ 1,269,458	\$ 20,896	\$ 1,493,831

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2009

Total fund balances of governmental funds (page 29)	\$ 562,837
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. This is the cost of capital assets (\$305,706) net of accumulated depreciation (\$246,687).	<u>59,019</u>
Net assets of governmental activities (page 27)	<u>\$ 621,856</u>

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2009

	Special Revenue			Total Governmental Funds
	General Fund	Education Fund	Other Nonmajor Funds	
REVENUES:				
Local sources	\$ 573,619	\$ 1,154,734	\$ 42,370	\$ 1,770,723
State sources	361,115	2,376,671	3,942	2,741,728
Federal sources	83,947	369,882	-	453,829
On-behalf payments	272,482	-	-	272,482
Total revenues	1,291,163	3,901,287	46,312	5,238,762
EXPENDITURES:				
Education:				
Salaries	574,373	790,765	7,057	1,372,195
Employee benefits	32,921	239,928	894	273,743
Purchased services	117,001	1,747,462	38,293	1,902,756
Supplies and materials	17,917	210,692	5,837	234,446
Payments to other governments	271,201	934,534	-	1,205,735
On-behalf payments	272,482	-	-	272,482
Capital outlay	706	2,997	-	3,703
Total expenditures	1,286,601	3,926,378	52,081	5,265,060
EXCESS OF REVENUES OVER EXPENDITURES	4,562	(25,091)	(5,769)	(26,298)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	120	120
Transfers out	-	-	(120)	(120)
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	4,562	(25,091)	(5,769)	(26,298)
FUND BALANCE, BEGINNING OF YEAR, RESTATED, SEE NOTE 17	13,609	549,421	26,105	589,135
FUND BALANCE, END OF YEAR	\$ 18,171	\$ 524,330	\$ 20,336	\$ 562,837

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2009

Net change in fund balances (page 31) \$ (26,298)

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. This is the excess of
depreciation expense over capitalized fixed assets
placed in service in the current year.

(17,789)

Change in net assets of governmental activities (page 28) \$ (44,087)

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2009

	Business-Type Activities - Enterprise Fund <u>Workshops</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 70,040
LIABILITIES	
Current liabilities:	
Accounts payable	<u> 7,171</u>
NET ASSETS	
Unrestricted	<u>\$ 62,869</u>

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2009

	Business-Type Activities - Enterprise Fund <u>Workshops</u>
Operating revenues:	
Charges for services	\$ 101,739
Federal source revenue	8,700
Total operating revenues	<u>110,439</u>
Operating expenses:	
Education:	
Purchased services	97,691
Supplies and materials	3,609
Payments to other governments	9,831
Total operating expenses	<u>111,131</u>
Operating loss	(692)
Nonoperating revenue:	
Investment income	<u>674</u>
Loss before contributions, gains/losses, and transfers	(18)
Total net assets, beginning of year	<u>62,887</u>
Total net assets, end of year	<u>\$ 62,869</u>

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2009

	Business-Type Activities - Enterprise Fund <u>Workshops</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from workshops and grants	\$ 110,439
Payments to suppliers and providers of goods and services	<u>(105,360)</u>
Net cash provided by operating activities	<u>5,079</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	<u>674</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 5,753
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>64,287</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	 <u>\$ 70,040</u>
 Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (692)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in accounts payable	<u>5,771</u>
 Net cash provided by operating activities	 <u>\$ 5,079</u>

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2009

	Private-Purpose <u>Trusts</u>	Agency <u>Funds</u>
ASSETS		
Cash and cash equivalents	\$ 82,785	\$ 210,043
Investments	797,096	-
Rent receivable	8,833	-
Interest receivable	3,367	-
Due from other funds	17,401	-
Property and equipment, net	734,696	-
Total assets	1,644,178	210,043
LIABILITIES		
Accounts payable	5,965	-
Due to other funds	17,401	-
Deposits	1,450	-
Due to other governmental units	-	210,043
Deferred revenue	15,051	-
Total liabilities	39,867	210,043
NET ASSETS		
Held in trust for other purposes	\$ 1,604,311	\$ -

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended June 30, 2009

	Private-Purpose <u>Trusts</u>
ADDITIONS:	
Local sources	
Rent	\$ 91,602
CRP payment	1,911
Interest and dividends	40,977
Realized gain	687
Total additions	<u>135,177</u>
DEDUCTIONS:	
Purchased services	31,465
Scholarships	66,000
Depreciation	7,284
Unrealized loss on securities	91,839
Total deductions	<u>196,588</u>
EXCESS OF ADDITIONS OVER DEDUCTIONS	<u>(61,411)</u>
OTHER FINANCING SOURCES (USES):	
Transfers in	133,963
Transfers out	<u>(133,963)</u>
Total other financing sources (uses)	<u>-</u>
CHANGES IN NET ASSETS	(61,411)
NET ASSETS, BEGINNING OF YEAR	<u>1,665,722</u>
NET ASSETS, END OF YEAR	<u>\$ 1,604,311</u>

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 is an entity that is a result of an Education Service Region becoming a Regional Office of Education as of August 7, 1995. The Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 operates under the School code (105 ILCS 5/3 and 5/3A). The Regional Office of Education #8 encompasses Carroll, Jo Daviess, and Stephenson Counties in Illinois. A Regional Superintendent of Schools serves as chief administrative officer and is elected pursuant to 105 ILCS 5/3 and 5/3A of the School Code. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

The functions of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 include, but are not limited to the following:

- Processing teachers' certificates
- Teaching initial and refresher classes for school bus drivers within Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8
- Review life/safety requirements for schools in conjunction with the State of Illinois
- Issuing newsletters regarding new Illinois life/safety requirements
- Monitoring compliance with State laws and Department of Education policies and procedures
- Providing directions to teachers and school officials on science, art and teaching methods
- Implementing the State Board of Education's Policy Programs
- Encouraging camaraderie among teachers through the teachers' institute

The Regional Office of Education #8's reporting entity includes all related organizations for which the Regional Office of Education #8 exercises oversight responsibility in accordance with Statement No. 14 of the Governmental Accounting Standards Board.

The Superintendent has developed criteria to determine whether outside agencies with activities which benefit the citizens served by the Regional Office of Education #8 should be included within its financial reporting entity. The criteria includes, but is not limited to whether the Superintendent (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability or fiscal matters (i.e., financial budget approval, management of assets, etc.). The Superintendent has determined that no outside agency meets the above criteria and, therefore, no agency has been included as a component unit in the financial statements. In addition, the Superintendent is not aware of any entity which would exercise such oversight which would result in the Regional Office of Education #8 being considered a component unit of the entity.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Regional Office of Education #8 is the Administrative Agent for two joint agreements – the Jo Daviess-Carroll Area Vocational Center and the Eagle Ridge Vocational Delivery System. These joint agreements are not considered part of the Regional Office of Education #8's GAAP reporting entity and are not included in these financial statements.

The Jo Daviess-Carroll Area Vocational Center provides advanced vocational training to high school juniors and seniors and adults seeking retraining.

The Eagle Ridge Vocational Delivery System includes all the Jo Daviess County school districts and the West Carroll school districts in Carroll County. It allocates state vocational funding among member districts and updates vocational programs into sequential programs leading to marketable skills. The Delivery System reimburses the Regional Office of Education #8 for certain administrative costs.

Basis of Presentation

Government-wide Financial Statements – The Statement of Net Assets and the Statement of Activities report information on all of the activities of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by intergovernmental and local revenues.

The Statement of Net Assets presents Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

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

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

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 report the following major governmental funds:

The General Fund is the operating fund of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The following funds are the general funds of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8:

Counties Support – used to account for monies received for, and payment of, expenditures in connection with general administration activities. The source of these monies is from the three county boards for which the Regional Office of Education #8 serves.

ROE Operations – used to account for grant monies received for, and payment of, assisting schools in all areas of school improvement.

Special Services – used to account for various miscellaneous expenditures as approved by the Regional Office of Education #8. Revenues are primarily derived from interest earnings or invested cash and reimbursements from other entities for administration and accounting for miscellaneous grants and programs.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Education Fund – to account for State and Federal grant monies received for, and payment of, administering numerous grant awards which include:

Truants Alternative/Optional Ed. – used to account for grant monies received for, and payment of, expenses of the Truants Alternative Program.

Early Childhood Block Grants – used to account for grant monies received for, and payment of, expenses for developing and operating programs for parents of young children.

Regional Safe Schools – used to account for grant monies received for, and payment of, alternative programs for disruptive youths in grades 6-12.

Learning Technology Center – used to account for grant monies received for, and payment of, the expenses associated with the Learning Technology Center.

Title IV – Safe and Drug Free Schools Formula – used to account for cash receipts from the State for federal assistance programs and distributed to treasurers of school districts and other agencies for drug education.

Early Intervention Infants/Toddlers – used to account for grant monies received for and payment of, expenses for an early intervention program for special needs children. Program is also called Community Access Point/System Point of Entry (CAP/SPOE).

Title II – Teacher Quality – used to account for grant monies received for, and payment of, expenditures incurred in providing workshops to improve teacher quality.

System of Support – used to account for monies received for, and expenditures incurred associated with the System of Support program.

Standard Aligned Classroom – used to account for grant monies received for, and expenditures incurred associated with summer classroom activities.

Workforce Investment Act – used to account for grant monies received for, and expenditures incurred to provide financial and technical assistance to qualified recipients in order to support workforce investment activities.

English Language Learners – used to provide immigrants and other limited English proficient persons with skills to understand and navigate governmental workplace systems and key institutions, such as banking and healthcare.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Education Fund (Continued) – to account for State and Federal grant monies received for, and payment of, administering numerous grant awards which include:

McKinney Homeless Grant – used to ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children.

Teacher Mentoring – used to account for grant monies received for, and expenditures incurred to support, programs associated with assisting new teachers.

ROE Programs and Services – an intergovernmental agreement used to provide services and programs such as criminal background investigations on substitute teachers and centralized scoring of standardized tests. This Intergovernmental Agreement is also used as an umbrella organization for grants and cooperative bidding.

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 reports the following nonmajor governmental funds:

General Educational Development – used to account for resources accumulated for, and payment of, expenses of administering the General Educational Development test. Statute requires excess funds accumulated for periods exceeding three years to be transferred into the Institute Fund.

Bus Driver – used to account for resources accumulated for, and payment of, expenses of issuing school bus driver permits and administering school bus driver training.

Supervisory – used to account for resources accumulated for, and payment of, expenses of providing supervisory service in the Regional Office of Education #8.

Institute – used to account for resources accumulated for, and payment of, expenses of administering teachers' institutes, workshops, and meetings. All funds generated remain restricted until expended only on the aforementioned activities.

Medical Reimbursement – collection of payroll deduction from participating employees. The Regional Superintendent is responsible for reimbursing the cost of employee's medical expenses.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 report the following major proprietary fund:

Workshops – used to account for workshops associated with various grant programs.

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 also reports fiduciary funds which focus on net assets and changes in net assets. They include the following:

The Private-Purpose Trust Fund is used to account for assets held by the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 under trust agreements which require income earned to be used to benefit individuals through scholarship awards. The Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 private-purpose trust funds include the following:

E.H. Parriott Scholarship Trust Principal – used to maintain the trust principal. Income is used to pay for scholarships.

E.H. Parriott Scholarship Trust Income – used to account for day-to-day operations of farm and to pay out scholarships from investment and farm income.

The Agency Fund is used to account for assets held by the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 as an agent for individuals, private organizations and other governments. The Agency Fund is custodial in nature, assets, equal liabilities, and does not involve measurement of results of operations. The Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 agency funds include the following:

Distributive – State and Federal funds are distributed by the Illinois State Board of Education to the Regional Office of Education #8. The Regional Office of Education #8 is responsible for forwarding these monies to local school districts and others in Carroll, Jo Daviess, and Stephenson Counties.

Distributive Interest – used to account for interest earned on flow-through funds to be distributed to local school districts received from the Illinois State Board of Education. The Superintendent uses the interest money to develop inservice activities and other innovative programs, with the consent of all affected school boards and other entities.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

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

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

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8.

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 records on-behalf payments made by the State to the Teachers' Retirement System as revenue and expenditures.

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

Under the terms of grant agreements, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

The proprietary fund of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 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.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 maintains its financial records on the cash basis. The financial statements of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 are prepared by making memorandum adjusting entries to the cash basis financial records.

Assets, Liabilities and Fund Equity

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

Cash and investments – The cash and investment balances of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 are valued at cost.

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

Due from other governments – Due from other governments represents amounts due from the Illinois State Board of Education.

Capital assets – Capital assets, which include furniture and equipment, are reported in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 as assets with an initial, individual cost in excess of \$1,500 and estimated useful lives in excess of two years. Capital assets are depreciated using the straight line method over 5-10 years.

Property, plant and equipment in the private-purpose trust fund are recorded at cost.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Fund Equity (Continued)

Property, plant and equipment are depreciated in the private-purpose trust fund using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20
Equipment	10

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

Restricted net assets – In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Budgets and Budgetary Accounting

The Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 prepares a budget for each of its grants and for the support it receives from its three counties. Some of these budgets cover different periods than the Regional Office of Education #8's fiscal year.

The Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's accounting records must be sophisticated enough to both (1) assure and demonstrate compliance with each budget during the period it covers and 2) also permit the reporting of the financial position and results of operations of each fund and fund type in GAAP financial statements covering its fiscal year.

Budgetary comparisons and budgetary compliance are discussed in Note 8 – Budgetary comparisons and budgetary compliance.

NOTE 2 – DEPOSITS AND INVESTMENTS

The Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's cash and cash equivalents are considered to be demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The deposit and investment of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 monies is governed by the provisions of the Illinois Compiled Statutes.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Deposits

At June 30, 2009, the carrying amount of the Regional Office of Education #8’s deposits was \$641,577 (net of cash overdrafts) and the bank balance was \$864,749.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8’s deposits may not be returned. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 does not have a deposit policy for custodial credit risk. As of June 30, 2009, all of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8’s deposits were either covered by FDIC insurance or covered by collateral held by the financial institution in Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8’s name.

A reconciliation of cash for the primary government is as follows:

	<u>Carrying Amount</u>
Cash – Primary Government	\$348,749
Cash – Private – Purpose Trusts	82,785
Cash – Agency	<u>210,043</u>
 Total	 <u>\$641,577</u>

Investments – Private-Purpose Trusts

Investments of the E.H. Parriott Scholarship Trust Funds are held in a trust account. These investments are carried in marketable securities with readily determinable fair values based on quoted prices in active markets in the Combining Statement of Fiduciary Net Assets. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Changes in Fiduciary Net Assets.

Interest Rate Risk – Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk and Concentration of Credit Risk – Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 does not have a formal investment policy that would limit its investment choices or would limit the amount Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 may invest in one issuer.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2009, investments included the following:

	<u>Morningstar Rating</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Principal fund			
Cash equivalents			
Mutual funds			
First American Prime Obligation Fund Class Y	Unrated	\$ 15,945	\$ 15,945
Fixed income investments			
Mutual funds			
First American Core Bond Fund Class Y	***	370,465	370,465
Commodity Strategy Total Return Fund Class Y	*	2,594	2,594
First American Inflation Pro Sec Class Y	***	55,287	55,287
Total fixed income investments		<u>428,346</u>	<u>428,346</u>
Equity investments			
Mutual funds			
American Century Capital Value Class Inv	***	22,170	22,170
Fidelity Advance Diversified International Class A	***	24,940	24,940
First American Equity Index Fund Class Y	***	32,221	32,221
First American Mid Cap Growth Fund Class Y	****	2,113	2,113
First American Mid Cap Value Fund Class Y	****	2,131	2,131
First American Mid Cap Index Fund Class Y	****	4,370	4,370
First American Real Estate Securities Fund Class Y	*****	5,670	5,670
T Rowe Price Growth Stock Class Adv	****	29,534	29,534
T Rowe Price Small Cap Value Fund	****	4,080	4,080
Total equity investments		<u>127,229</u>	<u>127,229</u>
Total principal fund		<u>571,520</u>	<u>571,520</u>
Income fund			
Cash equivalents			
Mutual funds			
First American Prime Obligation Fund class Y	Unrated	63,341	63,341
Fixed income investments			
Mutual funds			
First American Core Bond Fund Class Y	***	137,363	137,363
First American Inflation Pro Sec Class Y	***	24,872	24,872
Total fixed income investments		<u>162,235</u>	<u>162,235</u>
Total income fund		<u>225,576</u>	<u>225,576</u>
Total investments		<u>\$ 797,096</u>	<u>\$ 797,096</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 3 – ON-BEHALF PAYMENTS

Salaries of the Regional Superintendent and his first assistant are paid by the State of Illinois. All other salaries with the exception of employees paid by the Special Services Fund, are paid by Carroll, Jo Daviess, and Stephenson Counties. Pension plan contributions associated with these salaries are also paid respectively, by the State of Illinois and Carroll, Jo Daviess, and Stephenson Counties. Employees of the Special Services Fund and the applicable pension plan contributions are paid by the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8.

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

Regional Superintendent – salary	\$ 96,435
Regional Superintendent – benefits (includes state paid insurance)	19,413
Assistant Regional Superintendent – salary	80,161
Assistant Regional Superintendent – benefits (includes state paid insurance)	577
TRS on-behalf payments	<u>75,896</u>
Total on-behalf payments	<u>\$272,482</u>

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

NOTE 4 – EMPLOYEE BENEFIT PLAN

The Regional Office of Education #8's employees are covered under the Illinois Municipal Retirement Fund. Contributions to the Fund are made by Carroll, Jo Daviess, and Stephenson Counties and the Regional Office of Education #8 through grant monies on behalf of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education staff employees and grant coordinators.

- a. Occupy a job normally requiring 1,000 hours or more per year;
- b. Are paid on a regular payroll from County or Regional Office of Education #8 funds;
- c. Were under age sixty when first entering employment; and
- d. Are not covered by another State created retirement system for the same service.

Employees not qualifying above are considered as “nonparticipating employees” and are covered under Social Security.

The Superintendent of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education is paid by the State of Illinois. Certain staff employees of the Regional Office of Education #8's office are employed and paid by Carroll, Jo Daviess, or Stephenson Counties (other support staff and grant coordinators are paid by the Region through grant monies). Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education has no separate employee benefit plan.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 4 – EMPLOYEE BENEFIT PLAN (Continued)

Illinois Municipal Retirement Fund

Plan Description. The Regional Office of Education #8’s defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #8’s plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the Regional Office of Education #8’s Regular plan members are required to contribute 4.50 percent 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 9.82 percent of annual covered payroll. The Regional Office of Education#8 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2008, the Regional Office of Education #8’s annual pension cost of \$111,932 for the Regular plan was equal to the Regional Office of Education #8’s required and actual contributions.

TREND INFORMATION			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/08	111,932	100%	\$0
12/31/07	105,339	100%	0
12/31/06	133,013	100%	0

The required contribution for 2008 was determined as part of the December 31, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% 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 Regional Office of Education #8’s Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of assets. The Regional Office of Education #8’s Regular plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006, valuation was 5 years.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 4 – EMPLOYEE BENEFIT PLAN (Continued)

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 89.99 percent funded. The actuarial accrued liability for benefits was \$1,763,988 and the actuarial value of assets was \$1,587,378, resulting in an underfunded actuarial accrued liability (UAAL) of \$176,610. The covered payroll (annual payroll of active employees covered by the plan) was \$1,139,833 and the ratio of the UAAL to the covered payroll was 15 percent.

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 5 – RETIREMENT PLANS

Teachers' Retirement System of the State of Illinois

The Regional Office of Education #8 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 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. In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The Regional Office of Education #8 THIS Fund contribution was 0.63 percent during the year ended June 30, 2009, and the member THIS Fund health insurance contribution was 0.84 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #8's TRS-covered employees.

- **On-behalf Contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #8. For the year ended June 30, 2009, the State of Illinois contributions were based on 17.08 percent of creditable earnings, and the Regional Office of Education #8 recognized revenue and expenditures of \$75,896 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 were 13.11 percent (\$44,913) and 9.78 percent (\$37,562), 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 contributions for the year ended June 30, 2007 was based on dollar amounts specified by the statute and were not actuarially determined.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 5 – RETIREMENT PLANS (continued)

Teachers' Retirement System of the State of Illinois (continued)

The Regional Office of Education #8 makes other types of employer contributions directly to TRS.

- **2.2 Formula Contributions.** Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2009 was \$2,577. Contributions for the years ending June 30, 2008 and June 30, 2007, were \$2,771 and \$2,318, respectively.
- **Federal and Special Trust Fund Contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #8, there is a statutory requirement for the Regional Office of Education #8 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 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 trusts funds, respectively. For the years ended June 30, 2009, June 30, 2008 and June 30, 2007, there were no salaries that qualified for this plan.

- **Early Retirement Option.** The Regional Office of Education #8 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires. Under Public Act 94-0004 a "Pipeline ERO" program was provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they met certain conditions and retired on or before July 1, 2007. If members did not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member 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, June 30, 2008, and June 30, 2007, the Regional Office of Education #8 paid no employer contributions under the Early Retirement Option.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 5 – RETIREMENT PLANS (Continued)

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

- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two new employer contributions to TRS.

If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases up to 6 percent. For the years ended June 30, 2009, June 30, 2008 and June 30, 2007, the Regional Office of Education #8 did not make any contributions to TRS for 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 years ended June 30, 2009, June 30, 2008 and June 30, 2007, the Regional Office of Education #8 did not make any contributions to TRS for sick leave days granted in excess of the normal annual allotment.

TRS financial information, an explanation of TRS' benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 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 Website at www.trs.illinois.gov.

NOTE 6 – DEFICIT FUND BALANCES

The following funds have deficit fund balances at June 30, 2009:

<u>Fund</u>	<u>Balance</u>
General Fund:	
Counties Support	<u>\$ (1,147)</u>
Education Fund:	
Teacher Mentoring	<u>\$ (7,068)</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 7 – REVOLVING LINE OF CREDIT

The Regional Office of Education #8 has a \$125,000 revolving line of credit, which was unused at June 30, 2009. Bank advances on the credit line are payable on demand and carry an interest rate of 6.0%. The credit line is secured by substantially all assets.

NOTE 8 – BUDGETARY COMPARISONS AND BUDGETARY COMPLIANCE

To demonstrate compliance with applicable budgetary requirements, GAAP financial statements generally include comparisons of actual results of operations to budgeted amounts for individual funds for which a budget is adopted for the period covered by the budget. Regional Office of Education #8 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. Budgets for the Regional Office of Education #8's State and federal grant funds cover various periods. Budgetary comparisons for those periods are presented on page 64 for the ROE Operations Fund and pages 67-70 for the following grants: Truants Alternative/Optional Ed., Early Childhood Block Grant – Age 3 to 5, Early Childhood Block Grant – Preschool for All, Early Childhood Block Grant – Birth to Age 3, Regional Safe Schools, Learning Technology Center, Title IV – Safe and Drug Free Schools Formula, Title II – Teacher Quality, English Language Learners, McKinney Homeless Grant, Teacher Mentoring and ROE Programs and Services.

To qualify for reimbursement, grant expenditures must be obligated by the end of the applicable budget period and liquidated within 90 days thereafter. To qualify for reimbursement, grant expenditures must also not exceed approved budgeted amounts for a particular function (Improvement of Instruction Services, General Administration, Fiscal Services, etc.) and object (Salaries, Employee Benefits, Purchased Services, etc.) account code combinations by the greater of \$1,000 or 20% of the approved budgeted amount. Amendments to shift amounts from one function/object account code combination to another must be submitted to the ISBE for approval by 30 days prior to the end of the applicable budget period.

All grant expenditure amounts for which the Regional Office of Education #8 claimed reimbursement, and for which grant revenue is reported in these financial statements, were obligated and liquidated on a timely basis. All such expenditure amounts were within the function/object account classification limits of final approved amended budgets.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 9 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2009 is as follows:

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
Governmental activities:				
Furniture and equipment	\$ 304,509	\$ 1,197	\$ -0-	\$ 305,706
Less accumulated depreciation	<u>(227,701)</u>	<u>(18,986)</u>	<u>-0-</u>	<u>(246,687)</u>
Total capital assets, net	<u>\$ 76,808</u>	<u>\$ (17,789)</u>	<u>\$ -0-</u>	<u>\$ 59,019</u>

Depreciation expense was charged as follows:

Governmental activities:

 Education:

 Depreciation expense

\$ 18,986

Fiduciary Fund:

 Private-Purpose Trust Fund

 E.H. Parriott Scholarship Trust Principal Fund:

 Farmland and land improvements

\$ 600,000 \$ -0- \$ -0- \$ 600,000

 Farm building improvements

281,192 -0- -0- 281,192

 Total capital assets, at cost

881,192 -0- -0- 881,192

 Less accumulated depreciation

(139,212) (7,284) -0- (146,496)

 Total capital assets, net

\$ 741,980 \$ (7,284) \$ -0- \$ 734,696

Depreciation expense was charged as follows:

Fiduciary Fund:

 Private-Purpose Trust Fund

 E.H. Parriott Scholarship Trust Principal Fund

 Depreciation expense

\$ 7,284

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 10 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at June 30, 2009 were:

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
Education Fund		
Early Intervention Infants/Toddlers	\$ 15,000	\$ -0-
ROE Programs and Services	-0-	55,000
General Fund		
Special Services	40,000	-0-
Private-Purpose Trust Fund		
Expendable Trust Fund		
E.H. Parriott Scholarship Trust Income	-0-	17,401
Nonexpendable Trust Fund		
E.H. Parriott Scholarship Trust Principal	<u>17,401</u>	<u>-0-</u>
Total	<u>\$ 72,401</u>	<u>\$ 72,401</u>

NOTE 11 - TRANSFERS

Fiscal year ended June 30, 2009, interfund transfers were:

<u>Fund</u>	<u>In</u>	<u>Out</u>
Special Revenue Funds		
Bus Driver Fund	\$ -0-	\$ 120
Institute Fund	120	-0-
Private-Purpose Trust Fund		
E.H. Parriott Scholarship Trust Income	133,963	-0-
E.H. Parriott Scholarship Trust Principal	<u>-0-</u>	<u>133,963</u>
Total	<u>\$ 134,083</u>	<u>\$ 134,083</u>

NOTE 12 - DISPOSITION OF DISTRIBUTIVE FUND INTEREST

Interest earned on the investment of the Distributive Fund is remitted by the Regional Office of Education #8 to the Carroll, Jo Daviess, Stephenson Education Intergovernmental Agreement.

NOTE 13 - LEASES

The E.H. Parriott Scholarship Trust is the lessor of several parcels of farm land and attached buildings under various separate lease arrangements ranging from month-to-month rentals on buildings to 3-year noncancellable leases on farm land. Rental income for the fiscal year ended June 30, 2009 was \$91,602.

Minimum future rental income on the above noncancellable leases on farm land as of June 30, 2009 were:

<u>Year Ended June 30,</u>	
2010	\$ 92,624
2011	63,977
2012	<u>35,330</u>
Total	<u>\$ 191,931</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 14 - DUE TO/FROM OTHER GOVERNMENTS

The Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's General, Special Revenue, and Agency Funds have funds due to and due from various other governmental units which consist of the following:

Due from Other Governments

General

Special Services

Other local entities - payroll \$ 117,313

ROE Operations

Illinois State Board of Education 28,056

Education

Learning Technology Center

Illinois State Board of Education 32,730

Truants Alternative Program

Illinois State Board of Education 56,545

Workforce Investment Act

Partners for Employment 2,632

Early Intervention Infants/Toddlers

Illinois Department of Human Services 46,737

Early Childhood Preschool at Risk

Illinois State Board of Education 413,970

Regional Safe Schools

Illinois State Board of Education 46,071

ROE Programs and Services

Other local entities - payroll 416,068

Total \$ 1,160,122

Due to Other Governments

Education

Learning Technology Center

Illinois State Board of Education \$ 15,170

ROE Programs and Services

Other entities and local school districts 132,779

Agency Fund

Distributive Fund

Other entities and local school districts 210,043

Total \$ 357,992

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 15 - RISK MANAGEMENT

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 assumes liability for any deductibles and claims in excess of coverage limitations. There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the year.

NOTE 16 - NEW PRONOUNCEMENTS

In 2009, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 adopted Governmental Accounting Standards Board (GASB) Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and GASB No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The Regional Office of Education implemented these standards during the current year; however, there was no significant impact of the implementation of GASB Statements No. 52, No. 49, No. 55 or No.56 on the financial statements.

NOTE 17 – CHANGES IN BEGINNING FUND BALANCE/NET ASSETS

The following discloses the restatement of governmental fund balances and net assets as of the beginning of the fiscal year:

	Education
Fund balance, beginning of year, as previously stated:	\$ 10,267
Increase due to including ROE Programs and Services as a program of the Education Fund	539,154
Fund balance, beginning of year, as restated	\$549,421
	Governmental Activities
Net assets, beginning of year, as previously stated:	\$ 58,335
Increase due to addition of ROE Programs and Services as a Program of the Education Fund including capital assets of \$68,454	607,608
	\$665,943

NOTE 18 – SUBSEQUENT EVENTS

Subsequent to year end, Regional Office of Education #8's Education Fund issued another revolving line of credit due to the slow receipt of funds from the State. The Regional Office of Education #8's line of credit of \$60,000 was obtained on December 29, 2009 with an interest rate of 4.15%.

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
SCHEDULE OF FUNDING PROGRESS –
ILLINOIS MUNICIPAL RETIREMENT FUND (Unaudited)
 June 30, 2009

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/08	1,587,378	1,763,988	176,610	89.99%	1,139,833	15.49%
12/31/07	1,555,321	1,573,598	18,277	98.84%	1,132,683	1.61%
12/31/06	1,338,039	1,415,748	77,709	94.51%	1,040,788	7.47%

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$1,227,154. On a market basis, the funded ratio would be 69.57%

***Digest of Changes**

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

SUPPLEMENTAL INFORMATION

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2009

	<u>Counties</u> <u>Support</u>	<u>ROE</u> <u>Operations</u>	<u>Special</u> <u>Services</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ 396	\$ 626	\$ 57,086	\$ 58,108
Due from other governments	-	28,056	117,313	145,369
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 396</u>	<u>\$ 28,682</u>	<u>\$ 174,399</u>	<u>\$ 203,477</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,543	\$ 28,682	\$ -	\$ 30,225
Accrued expenses	-	-	115,081	115,081
Due to other funds	-	-	40,000	40,000
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>1,543</u>	<u>28,682</u>	<u>155,081</u>	<u>185,306</u>
FUND BALANCES, UNRESERVED	<u>(1,147)</u>	<u>-</u>	<u>19,318</u>	<u>18,171</u>
TOTAL LIABILITIES AND FUND BALANCES, UNRESERVED	<u>\$ 396</u>	<u>\$ 28,682</u>	<u>\$ 174,399</u>	<u>\$ 203,477</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
Year Ended June 30, 2009

	<u>Counties</u> <u>Support</u>	<u>ROE</u> <u>Operations</u>	<u>Special</u> <u>Services</u>	<u>Totals</u>
REVENUES:				
Local sources	\$ 131,788	\$ -	\$ 441,831	\$ 573,619
State sources	-	77,154	283,961	361,115
Federal sources	-	-	83,947	83,947
On-behalf payments	<u>272,482</u>	<u>-</u>	<u>-</u>	<u>272,482</u>
Total revenues	<u>404,270</u>	<u>77,154</u>	<u>809,739</u>	<u>1,291,163</u>
EXPENDITURES:				
Education:				
Salaries	92,143	58,421	423,809	574,373
Employee benefits	14,188	18,733	-	32,921
Purchased services	24,984	-	92,017	117,001
Supplies and materials	2,191	-	15,726	17,917
Payments to other governments	-	-	271,201	271,201
On-behalf payments	272,482	-	-	272,482
Capital outlay	<u>-</u>	<u>-</u>	<u>706</u>	<u>706</u>
Total expenditures	<u>405,988</u>	<u>77,154</u>	<u>803,459</u>	<u>1,286,601</u>
EXCESS OF REVENUES OVER EXPENDITURES	(1,718)	-	6,280	4,562
FUND BALANCE, UNRESERVED, BEGINNING OF YEAR	<u>571</u>	<u>-</u>	<u>13,038</u>	<u>13,609</u>
FUND BALANCE, UNRESERVED, END OF YEAR	<u>\$ (1,147)</u>	<u>\$ -</u>	<u>\$ 19,318</u>	<u>\$ 18,171</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND ACCOUNTS
Year Ended June 30, 2009

	ROE Operations Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
State sources	\$ 77,154	\$ 77,154	\$ 77,154	\$ -
EXPENDITURES:				
Education:				
Salaries	58,011	58,011	58,421	(410)
Employee benefits	19,143	19,143	18,733	410
Total expenditures	77,154	77,154	77,154	-
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -	-	\$ -
FUND BALANCE, BEGINNING OF YEAR			-	
FUND BALANCE, END OF YEAR			\$ -	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2009

	<u>Truants Alternative/ Optional Ed.</u>	<u>Early Childhood Block Grants</u>	<u>Regional Safe Schools</u>	<u>Learning Technology Center</u>	<u>Title IV - Safe and Drug Free Schools Formula</u>	<u>Early Intervention Infants/ Toddlers</u>
ASSETS						
Cash (overdrafts) and cash equivalents	\$ (56,545)	\$ 104,555	\$ (24,357)	\$ 34	\$ -	\$ (8,644)
Due from other funds	-	-	-	-	-	-
Due from other governments	<u>56,545</u>	<u>413,970</u>	<u>46,071</u>	<u>32,730</u>	<u>-</u>	<u>46,737</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 518,525</u>	<u>\$ 21,714</u>	<u>\$ 32,764</u>	<u>\$ -</u>	<u>\$ 38,093</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ 518,525	\$ 21,714	\$ 17,594	\$ -	\$ 2,942
Due to other governments	-	-	-	15,170	-	0
Due to other funds	-	-	-	-	-	15,000
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>518,525</u>	<u>21,714</u>	<u>32,764</u>	<u>-</u>	<u>17,942</u>
FUND BALANCES						
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,151</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 518,525</u>	<u>\$ 21,714</u>	<u>\$ 32,764</u>	<u>\$ -</u>	<u>\$ 38,093</u>

<u>Title II - Teacher Quality</u>	<u>System of Support</u>	<u>Standard Aligned Classroom</u>	<u>Workforce Investment Act</u>	<u>English Language Learners</u>	<u>McKinney Homeless Grant</u>	<u>Teacher Mentoring</u>	<u>ROE Programs and Services</u>	<u>Totals</u>
\$ -	\$ 4,540	\$ 7,171	\$ (2,632)	\$ -	\$ 4,674	\$ 2,491	\$ 168,418	\$ 199,705
-	-	-	-	-	-	-	55,000	55,000
-	-	-	2,632	-	-	-	416,068	1,014,753
<u>\$ -</u>	<u>\$ 4,540</u>	<u>\$ 7,171</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,674</u>	<u>\$ 2,491</u>	<u>\$ 639,486</u>	<u>\$ 1,269,458</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 560,775
-	-	-	-	-	-	-	132,779	147,949
-	-	-	-	-	-	-	-	15,000
-	-	7,171	-	-	4,674	9,559	-	21,404
-	-	7,171	-	-	4,674	9,559	132,779	745,128
-	4,540	-	-	-	-	(7,068)	506,707	524,330
<u>\$ -</u>	<u>\$ 4,540</u>	<u>\$ 7,171</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,674</u>	<u>\$ 2,491</u>	<u>\$ 639,486</u>	<u>\$ 1,269,458</u>

<u>Title II -</u> <u>Teacher</u> <u>Quality</u>	<u>System of</u> <u>Support</u>	<u>Standard</u> <u>Aligned</u> <u>Classroom</u>	<u>Workforce</u> <u>Investment</u> <u>Act</u>	<u>English</u> <u>Language</u> <u>Learners</u>	<u>McKinney</u> <u>Homeless</u> <u>Grant</u>	<u>Teacher</u> <u>Mentoring</u>	<u>ROE</u> <u>Programs</u> <u>and Services</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ 52,405	\$ -	\$ -	\$ 750	\$ 1,035,220	\$ 1,154,734
-	11,118	-	-	-	-	80,756	191,144	2,376,671
<u>530</u>	<u>46,441</u>	<u>12,703</u>	<u>-</u>	<u>6,000</u>	<u>9,826</u>	<u>-</u>	<u>52,117</u>	<u>369,882</u>
<u>530</u>	<u>57,559</u>	<u>12,703</u>	<u>52,405</u>	<u>6,000</u>	<u>9,826</u>	<u>81,506</u>	<u>1,278,481</u>	<u>3,901,287</u>
-	7,052	-	28,215	-	4,580	11,285	-	790,765
-	-	-	3,957	-	794	3,117	-	239,928
530	7,273	3,153	19,727	55	4,205	14,120	1,046,189	1,747,462
-	-	-	506	-	247	6,840	159,551	210,692
-	39,691	9,550	-	5,945	-	53,212	103,991	934,534
-	-	-	-	-	-	-	1,197	2,997
<u>530</u>	<u>54,016</u>	<u>12,703</u>	<u>52,405</u>	<u>6,000</u>	<u>9,826</u>	<u>88,574</u>	<u>1,310,928</u>	<u>3,926,378</u>
-	3,543	-	-	-	-	(7,068)	(32,447)	(25,091)
-	997	-	-	-	-	-	539,154	549,421
<u>\$ -</u>	<u>\$ 4,540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,068)</u>	<u>\$ 506,707</u>	<u>\$ 524,330</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2009

	Truants Alternative/ Optional Ed.			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	188,481	188,481	188,481	-
Federal sources	-	-	-	-
Total revenues	<u>188,481</u>	<u>188,481</u>	<u>188,481</u>	<u>-</u>
EXPENDITURES:				
Education:				
Salaries	121,659	121,659	131,965	(10,306)
Employee benefits	46,015	46,015	39,654	6,361
Purchased services	19,507	19,507	14,484	5,023
Supplies and materials	1,300	1,300	2,378	(1,078)
Payments to other governments	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>188,481</u>	<u>188,481</u>	<u>188,481</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE, UNRESERVED, BEGINNING OF YEAR			<u>-</u>	
FUND BALANCE, UNRESERVED, END OF YEAR			<u>\$ -</u>	

Early Childhood Block Grant Preschool for All				Early Childhood Block Grant Age 3 to 5			
Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
473,393	473,393	473,393	-	573,036	573,036	573,036	-
-	-	-	-	-	-	-	-
<u>473,393</u>	<u>473,393</u>	<u>473,393</u>	<u>-</u>	<u>573,036</u>	<u>573,036</u>	<u>573,036</u>	<u>-</u>
50,100	50,100	50,100	-	103,406	103,406	104,239	(833)
16,441	16,441	15,947	494	28,994	28,994	29,608	(614)
152,082	152,082	147,808	4,274	46,625	46,625	44,534	2,091
7,797	7,797	11,910	(4,113)	8,497	8,497	9,796	(1,299)
245,173	245,173	245,828	(655)	385,514	385,514	384,859	655
1,800	1,800	1,800	-	-	-	-	-
<u>473,393</u>	<u>473,393</u>	<u>473,393</u>	<u>-</u>	<u>573,036</u>	<u>573,036</u>	<u>573,036</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
		-				-	
		<u>\$ -</u>				<u>\$ -</u>	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2009

Early Childhood Block Grant				
Birth to Age 3				
	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	297,914	297,914	297,914	-
Federal sources	-	-	-	-
	<u>297,914</u>	<u>297,914</u>	<u>297,914</u>	<u>-</u>
Total revenues	<u>297,914</u>	<u>297,914</u>	<u>297,914</u>	<u>-</u>
EXPENDITURES:				
Education:				
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	297,914	297,914	297,914	-
Supplies and materials	-	-	-	-
Payments to other governments	-	-	-	-
Capital outlay	-	-	-	-
	<u>297,914</u>	<u>297,914</u>	<u>297,914</u>	<u>-</u>
Total expenditures	<u>297,914</u>	<u>297,914</u>	<u>297,914</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE, UNRESERVED, BEGINNING OF YEAR			<u>-</u>	
FUND BALANCE, UNRESERVED, END OF YEAR			<u>\$ -</u>	

**Regional Safe
Schools**

Learning Technology Center

<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
138,988	138,988	138,988	-	62,730	72,730	72,730	-
-	-	-	-	-	-	-	-
<u>138,988</u>	<u>138,988</u>	<u>138,988</u>	<u>-</u>	<u>62,730</u>	<u>72,730</u>	<u>72,730</u>	<u>-</u>
88,228	88,228	88,628	(400)	20,000	20,000	20,000	-
28,090	28,090	27,867	223	3,222	3,222	3,314	(92)
18,670	18,670	3,599	15,071	39,060	49,060	18,911	30,149
-	-	-	-	448	448	335	113
4,000	4,000	18,894	(14,894)	-	-	30,170	(30,170)
-	-	-	-	-	-	-	-
<u>138,988</u>	<u>138,988</u>	<u>138,988</u>	<u>-</u>	<u>62,730</u>	<u>72,730</u>	<u>72,730</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
		<u>-</u>				<u>-</u>	
		<u>\$ -</u>				<u>\$ -</u>	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2009

Title IV -
Safe and Drug Free Schools Formula

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	7,129	7,129	7,129	-
Total revenues	<u>7,129</u>	<u>7,129</u>	<u>7,129</u>	<u>-</u>
EXPENDITURES:				
Education:				
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	7,129	7,129	7,129	-
Supplies and materials	-	-	-	-
Payments to other governments	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>7,129</u>	<u>7,129</u>	<u>7,129</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE, UNRESERVED, BEGINNING OF YEAR			-	
FUND BALANCE, UNRESERVED, END OF YEAR			<u>\$ -</u>	

**Title II -
Teacher Quality**

**English Language
Learners**

<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>530</u>	<u>530</u>	<u>530</u>	<u>-</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
<u>530</u>	<u>530</u>	<u>530</u>	<u>-</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
530	530	530	-	550	550	55	495
-	-	-	-	-	-	-	-
-	-	-	-	5,450	5,450	5,945	(495)
-	-	-	-	-	-	-	-
<u>530</u>	<u>530</u>	<u>530</u>	<u>-</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
		<u>-</u>				<u>-</u>	
		<u>\$ -</u>				<u>\$ -</u>	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2009

	McKinney			
	Homeless Grant			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	14,500	14,500	9,826	(4,674)
Total revenues	<u>14,500</u>	<u>14,500</u>	<u>9,826</u>	<u>(4,674)</u>
EXPENDITURES:				
Education:				
Salaries	8,669	8,669	4,580	4,089
Employee benefits	1,456	1,456	794	662
Purchased services	4,075	4,075	4,205	(130)
Supplies and materials	300	300	247	53
Payments to other governments	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>14,500</u>	<u>14,500</u>	<u>9,826</u>	<u>4,674</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE, UNRESERVED, BEGINNING OF YEAR			<u>-</u>	
FUND BALANCE, UNRESERVED, END OF YEAR			<u>\$ -</u>	

Teacher Mentoring				ROE Programs and Services			
Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ 750	\$ 750	\$ 919,770	\$ 919,770	\$ 1,035,220	\$ 115,450
111,000	111,000	80,756	(30,244)	228,408	228,408	191,144	(37,264)
-	-	-	-	-	-	52,117	52,117
111,000	111,000	81,506	(29,494)	1,148,178	1,148,178	1,278,481	130,303
10,000	10,000	11,285	(1,285)	-	-	-	-
2,700	2,700	3,117	(417)	-	-	-	-
96,300	96,300	14,120	82,180	1,016,500	1,016,500	1,046,189	(29,689)
2,000	2,000	6,840	(4,840)	17,300	17,300	159,551	(142,251)
-	-	53,212	(53,212)	-	-	103,991	(103,991)
-	-	-	-	11,000	11,000	1,197	9,803
111,000	111,000	88,574	22,426	1,044,800	1,044,800	1,310,928	(266,128)
\$ -	\$ -	(7,068)	\$ (7,068)	\$ 103,378	\$ 103,378	(32,447)	\$ (135,825)
		-				539,154	
		\$ (7,068)				\$ 506,707	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2009

	Total			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ 919,770	\$ 919,770	\$ 1,035,970	\$ 116,200
State sources	2,073,950	2,083,950	2,016,442	(67,508)
Federal sources	28,159	28,159	75,602	47,443
	<u>3,021,879</u>	<u>3,031,879</u>	<u>3,128,014</u>	<u>96,135</u>
EXPENDITURES:				
Education:				
Salaries	402,062	402,062	410,797	(8,735)
Employee benefits	126,918	126,918	120,301	6,617
Purchased services	1,698,942	1,708,942	1,599,478	109,464
Supplies and materials	37,642	37,642	191,057	(153,415)
Payments to other governments	640,137	640,137	842,899	(202,762)
Capital outlay	12,800	12,800	2,997	9,803
	<u>2,918,501</u>	<u>2,928,501</u>	<u>3,167,529</u>	<u>(239,028)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 103,378</u>	<u>\$ 103,378</u>	(39,515)	<u>\$ (142,893)</u>
FUND BALANCE, UNRESERVED, BEGINNING OF YEAR			<u>539,154</u>	
FUND BALANCE, UNRESERVED, END OF YEAR			<u>\$ 499,639</u>	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2009

ASSETS	General Educational Development	Bus Driver	Super- visory	Institute	Medical Reimbursement	Totals
Cash and cash equivalents	\$ 1,643	\$ 989	\$ 2,485	\$ 15,201	\$ 578	\$ 20,896
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 1,643</u>	<u>\$ 989</u>	<u>\$ 2,485</u>	<u>\$ 15,201</u>	<u>\$ 578</u>	<u>\$ 20,896</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 332	\$ -	\$ -	\$ -	\$ 228	\$ 560
FUND BALANCES						
Unreserved	<u>1,311</u>	<u>989</u>	<u>2,485</u>	<u>15,201</u>	<u>350</u>	<u>20,336</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,643</u>	<u>\$ 989</u>	<u>\$ 2,485</u>	<u>\$ 15,201</u>	<u>\$ 578</u>	<u>\$ 20,896</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2009

	General				Medical	
	Educational	Bus			Reimbursement	Totals
	Development	Driver	Supervisory	Institute		
REVENUES:						
Local sources	\$ 8,032	\$ 2,559	\$ -	\$ 15,503	\$ 16,276	\$ 42,370
State sources	-	942	3,000	-	-	3,942
Total revenues	<u>8,032</u>	<u>3,501</u>	<u>3,000</u>	<u>15,503</u>	<u>16,276</u>	<u>46,312</u>
EXPENDITURES:						
Education:						
Salaries	2,375	-	-	4,682	-	7,057
Employee benefits	102	-	-	792	-	894
Purchased services	4,607	1,352	4,447	11,612	16,275	38,293
Supplies and materials	612	1,724	-	3,501	-	5,837
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>7,696</u>	<u>3,076</u>	<u>4,447</u>	<u>20,587</u>	<u>16,275</u>	<u>52,081</u>
EXCESS OF REVENUES						
OVER EXPENDITURES	336	425	(1,447)	(5,084)	1	(5,769)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	120	-	120
Transfers out	-	(120)	-	-	-	(120)
Total other financing sources (uses)	<u>-</u>	<u>(120)</u>	<u>-</u>	<u>120</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	336	305	(1,447)	(4,964)	1	(5,769)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>975</u>	<u>684</u>	<u>3,932</u>	<u>20,165</u>	<u>349</u>	<u>26,105</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,311</u>	<u>\$ 989</u>	<u>\$ 2,485</u>	<u>\$ 15,201</u>	<u>\$ 350</u>	<u>\$ 20,336</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS

June 30, 2009

	E.H. Parriott Scholarship Trust Principal Fund	E.H. Parriott Scholarship Trust Income Fund	Total
ASSETS			
Cash and cash equivalents	\$ -	\$ 82,785	\$ 82,785
Investments	571,520	225,576	797,096
Rent receivable	8,833	-	8,833
Interest receivable	2,408	959	3,367
Due from other funds	-	17,401	17,401
Property and equipment, net	734,696	-	734,696
Total assets	<u>1,317,457</u>	<u>326,721</u>	<u>1,644,178</u>
LIABILITIES			
Accounts payable	-	5,965	5,965
Due to other funds	17,401	-	17,401
Deposits	1,450	-	1,450
Deferred revenue	15,051	-	15,051
Total liabilities	<u>33,902</u>	<u>5,965</u>	<u>39,867</u>
NET ASSETS			
Held in trust for other purposes	<u>\$ 1,283,555</u>	<u>\$ 320,756</u>	<u>\$ 1,604,311</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
Year Ended June 30, 2009

	E.H. Parriott Scholarship Trust Principal <u>Fund</u>	E.H. Parriott Scholarship Trust Income <u>Fund</u>	<u>Total</u>
ADDITIONS:			
Local sources			
Rent	\$ 91,602	\$ -	\$ 91,602
CRP payment	-	1,911	1,911
Interest and dividends	30,282	10,695	40,977
Realized gain	687	-	687
Total additions	<u>122,571</u>	<u>12,606</u>	<u>135,177</u>
DEDUCTIONS:			
Purchased services	-	31,465	31,465
Scholarships	-	66,000	66,000
Depreciation	7,284	-	7,284
Unrealized loss on investments	73,777	18,062	91,839
Total deductions	<u>81,061</u>	<u>115,527</u>	<u>196,588</u>
EXCESS (DEFICIENCY) OF ADDITIONS OVER (UNDER) DEDUCTIONS	<u>41,510</u>	<u>(102,921)</u>	<u>(61,411)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	133,963	133,963
Transfers out	(133,963)	-	(133,963)
Total other financing sources (uses)	<u>(133,963)</u>	<u>133,963</u>	<u>-</u>
CHANGES IN NET ASSETS	(92,453)	31,042	(61,411)
NET ASSETS, BEGINNING OF YEAR	<u>1,376,008</u>	<u>289,714</u>	<u>1,665,722</u>
NET ASSETS, END OF YEAR	<u>\$ 1,283,555</u>	<u>\$ 320,756</u>	<u>\$ 1,604,311</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
 June 30, 2009

	Distributive Fund	Distributive Interest Fund	<u>Total</u>
ASSETS			
Cash and cash equivalents	<u>\$ 207,762</u>	<u>\$ 2,281</u>	<u>\$ 210,043</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other governmental units	<u>\$ 207,762</u>	<u>\$ 2,281</u>	<u>\$ 210,043</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2009

	<u>Balance,</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>June 30, 2009</u>
DISTRIBUTIVE FUND				
ASSETS				
Cash and cash equivalents	\$ <u> -</u>	\$ <u> 2,522,397</u>	\$ <u> 2,314,635</u>	\$ <u> 207,762</u>
LIABILITIES				
Due to other governmental units	\$ <u> -</u>	\$ <u> 2,522,397</u>	\$ <u> 2,314,635</u>	\$ <u> 207,762</u>
 DISTRIBUTIVE INTEREST FUND				
ASSETS				
Cash and cash equivalents	\$ <u> 3,039</u>	\$ <u> 578</u>	\$ <u> 1,336</u>	\$ <u> 2,281</u>
LIABILITIES				
Due to other governmental units	\$ <u> 3,039</u>	\$ <u> 578</u>	\$ <u> 1,336</u>	\$ <u> 2,281</u>
 TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ <u> 3,039</u>	\$ <u> 2,522,975</u>	\$ <u> 2,315,971</u>	\$ <u> 210,043</u>
LIABILITIES				
Due to other governmental units	\$ <u> 3,039</u>	\$ <u> 2,522,975</u>	\$ <u> 2,315,971</u>	\$ <u> 210,043</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
Year Ended June 30, 2009

<u>Program</u>	<u>Eagle Ridge Vocational Delivery System</u>	<u>Carroll-Jo Davie- Stephenson ROE</u>	<u>Totals</u>
General State Aid	\$ -	\$ 460,253	\$ 460,253
ARRA - General State Aid	-	136,064	136,064
Voc. Ed - Secondary Program Improvement	334,083	-	334,083
Voc. Ed - Agriculture Education	20,860	-	20,860
ROE School Bus Driver Training	-	942	942
Truants Alternative Optional Education	-	131,936	131,936
Regional Safe Schools	-	92,917	92,917
Early Childhood Block Grant	-	930,373	930,373
ROE/ISC Operations	-	49,098	49,098
Supervisory	-	3,000	3,000
Learning Technology Centers	-	47,707	47,707
Title IV - Safe/Drug Free Schools	-	7,129	7,129
Voc. Ed - Perkins Title IIC Secondary	58,743	-	58,743
Title II - Teacher Quality	-	530	530
Teacher Mentoring	-	35,000	35,000
English Language Learners	-	6,000	6,000
Totals	<u>\$ 413,686</u>	<u>\$ 1,900,949</u>	<u>\$ 2,314,635</u>