

State of Illinois
REGIONAL OFFICE OF EDUCATION #39
FINANCIAL AUDIT
(In Accordance with the Single Audit Act
and OMB Circular A-133)
For the year ended June 30, 2005

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

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MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

OFFICIALS

Regional Superintendent (retired effective 6/30/05)..... Mr. Charles A. Shonkwiler
Regional Superintendent (effective 7/1/05) Mr. Richard L. Shelby
Assistant Regional Superintendent (7/1/04 through 6/30/05)..... Mr. Richard L. Shelby
Assistant Regional Superintendent (7/1/05 through 8/31/05)..... Dr. David Coopriker
Assistant Regional Superintendent (9/1/05 through current, interim basis) Mr. Charles A. Shonkwiler

Offices are located at:

1690 Huston Drive
Decatur, IL 62526

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMPLIANCE REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	1	1
Repeated audit findings	0	0
Prior recommendations implemented or not repeated	1	0

Details of findings are presented in a separately tabbed section.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)		
05-01	13-14	Controls Over Compliance with Laws and Regulations

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

There were no findings for the year ended June 30, 2005.

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

04-01	17	Noncompliance with Statutory Mandates
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PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

There were no prior findings.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMPLIANCE REPORT SUMMARY (Continued)

EXIT CONFERENCE

An informal exit conference was held on September 16, 2005. Attending were Richard L. Shelby, Regional Superintendent, Ann K. Neal, Director of Business Operations of the Regional Office of Education #39, and James E. Moon, CPA of West & Company, LLC.

The responses to the recommendations were provided by Richard L. Shelby in an e-mail dated November 1, 2005.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of the Macon-Piatt Counties Regional Office of Education #39 was performed by West & Company, LLC.

Based on their audit, the auditors expressed an unqualified opinion on the agency's basic financial statements.

WEST & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS
&
CONSULTANTS

MEMBERS

E. LYNN FREESE
RICHARD C. WEST
KENNETH L. VOGT
DOUGLAS R. STROUD
BRIAN E. DANIELL
JANICE K. ROMACK
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EFFINGHAM
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INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Macon-Piatt Counties Regional Office of Education #39, as of and for the year ended June 30, 2005, which collectively comprise the Regional Office of Education #39's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Macon-Piatt Counties Regional Office of Education #39's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Macon-Piatt Counties Regional Office of Education #39, as of June 30, 2005, 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 issued a report dated September 16, 2005 on our consideration of the Macon-Piatt Counties Regional Office of Education #39'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 18A through 18F and 58 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Office of Education #39's basic financial statements. 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 accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities, and Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

West + Company, LLC

September 16, 2005

WEST & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS
&
CONSULTANTS

MEMBERS

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Macon-Piatt Counties Regional Office of Education #39, as of and for the year ended June 30, 2005, which collectively comprise the Regional Office of Education #39's basic financial statements and have issued our report thereon dated September 16, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Macon-Piatt Counties Regional Office of Education #39's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Macon-Piatt Counties Regional Office of Education #39's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance which is required by the *Guidelines to Auditing and Reporting for a Regional Office of Education*, to be reported on the accompanying Schedule of Findings and Questioned Costs as item 05-01.

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

West + Company, LLC

September 16, 2005

WEST & COMPANY, LLC

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&
CONSULTANTS

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the compliance of the Macon-Piatt Counties Regional Office of Education #39 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The Macon-Piatt Counties Regional Office of Education #39's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Macon-Piatt Counties Regional Office of Education #39's management. Our responsibility is to express an opinion on the Macon-Piatt Counties Regional Office of Education #39's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Macon-Piatt Counties Regional Office of Education #39's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Macon-Piatt Counties Regional Office of Education #39's compliance with those requirements.

In our opinion, the Macon-Piatt Counties Regional Office of Education #39 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of the Macon-Piatt Counties Regional Office of Education #39 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Macon-Piatt Counties Regional Office of Education #39's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

West + Company, LLC

September 16, 2005

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2005

Section I -- Summary of Auditors' Results

Financial statements

Type of auditors' report issued:

UNQUALIFIED

Internal control over financial reporting:

- material weakness(es) identified? yes X no

- Reportable condition(s) identified that are not considered to be material weakness(es)? yes X none reported

- Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- material weakness(es) identified? yes X no

- Reportable condition(s) identified that are not considered to be material weakness(es)? yes X none reported

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

UNQUALIFIED

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?

 yes X no

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2005

Section I -- Summary of Auditors' Results (concluded)

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of federal program or cluster</u>
84.027A	Federal - Special Education - IDEA Flow Through
84.027A	Federal - Special Education - IDEA Discretionary

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? X yes no

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2005

Section II: Financial Statement Findings

FINDING NO. 05-01 - Controls Over Compliance with Laws and Regulations

Criteria/Specific Requirement:

The Illinois School Code 105 ILCS 5/3-14.11 states that the Regional Superintendent shall examine at least once each year all books, accounts, and vouchers of every school treasurer in his educational service region, and if he finds any irregularities in them, to report them at once, in writing, to the trustees in Class II county school units, to the respective school boards of those school districts which form a part of a Class II county school unit but which are not subject to the jurisdiction of the trustees of schools of any township in which any such district is located, or to the respective school boards of the district in Class I county school units whose duty it shall be to take immediately such action as the case demands.

This mandate has existed in its current form since at least 1953.

Condition:

The Regional Office is not examining all books, accounts, and vouchers of every school treasurer in his educational service area at least once each year. Regional Office officials noted that they believe this mandate is outdated and that they are satisfying the intent of the statute by other reviews they undertake. For example, the Regional Superintendent signs off on Annual Financial Reports from the school districts in his region. In addition, the Regional Office gets a spreadsheet from the Illinois State Board of Education (ISBE) that outlines all of the school districts and their audit exceptions, if any. The Regional Office of Education follows up with school districts having exceptions and gets the corrective action and forwards it to ISBE.

While these are reviews involving the finances of school treasurers, they are not in the level of detail required by 105 ILCS 5/3-14.11.

Effect:

The Regional Office of Education #39 did not comply with statutory requirements.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2005

Section II: Financial Statement Findings (Continued)

FINDING NO. 05-01 - Controls Over Compliance with Laws and Regulations (Continued)

Cause:

Annually, the Regional Office of Education #39 reviews the Annual Financial Reports for each school district and signs them. The Regional Office requires each district to inform it in writing regarding any deficiencies in the Auditor's Questionnaire. Previous Regional Superintendents and the current Regional Superintendent believed this was sufficient to fulfill the requirements of the statute.

Auditors' Recommendation:

The Regional Office of Education #39 should comply with the requirements of 105 ILCS 5/3-14.11. If the Regional Office believes the statutory mandate is obsolete or otherwise unnecessary, then it should seek legislative action to revise the statute accordingly.

Management's Response:

In 1953, there were 102 county superintendents and their duties were a lot less numerous than today. Few schools had budgets that exceeded \$500,000. Under such conditions, this law probably made sense. During the past 50+ years, various practices have evolved eliminating the need for this type of monitoring. In the 21st century, all schools have multi-million dollar budgets that are: 1.) audited annually by professionally certified outside auditing firms; 2.) audits are filed for public record and inspection; and 3.) this is tracked through the process by the procedures mentioned above in the section titled "Condition". Requiring the ROE's to do another review would be redundant, costly, and require the hiring of teams of new staff members in each ROE to carry out the task. The latter begs the question of which level(s) of government would bear the cost to carry out this task and how costly might that be to reinstitute the practice?

We are grateful for the OAG's assistance in calling this to our collective attention because it provides the Regional Offices of Education with additional justification to request that the General Assembly delete this and other obsolete sections from the statutes. We will seek a legislative solution to this and other obsolete passages.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2005**

Section III: Federal Award Findings

No findings were noted for the year ended June 30, 2005.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
For the year ended June 30, 2005

Corrective Action Plan

Finding No.: 05-01

Condition:

The Regional Office is not examining all books, accounts, and vouchers of every school treasurer in his educational service area at least once each year. Regional Office officials noted that they believe this mandate is outdated and that they are satisfying the intent of the statute by other reviews they undertake. For example, the Regional Superintendent signs off on Annual Financial Reports from the school districts in his region. In addition, the Regional Office gets a spreadsheet from the Illinois State Board of Education (ISBE) that outlines all of the school districts and their audit exceptions, if any. The Regional Office of Education follows up with school districts having exceptions and gets the corrective action and forwards it to ISBE.

While these are reviews involving the finances of school treasurers, they are not in the level of detail required by 105 ILCS 5/3-14.11.

Plan:

We will seek a legislative solution to this and other obsolete passages.

Anticipated Date of Completion:

On going

Name of Contact Person:

Richard Shelby

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2005**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
04-01	Noncompliance with Statutory Mandates.	Finding was not repeated

MANAGEMENT'S DISCUSSION AND ANALYSIS

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

MANAGEMENT'S DISCUSSION AND ANALYSIS For the year ended June 30, 2005

The Regional Office of Education #39 for the Counties of Macon and Piatt 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, 2005. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements which follows.

2005 Financial Highlights

- Within the Governmental Funds, the General Fund revenues decreased by \$93,820 from \$1,529,231 in fiscal year 2004 to \$1,435,411 in fiscal year 2005. General Fund expenditures decreased by \$81,143 from \$1,413,196 in FY04 to \$1,332,053 in FY05. Most of the decrease in both revenues and expenditures is due to a reduction of on-behalf payments paid by the State to the Teachers' Retirement System.
- Within the Governmental Funds, the Special Revenue Fund revenue decreased by \$621,456 from \$8,238,308 in FY04 to \$7,616,852 in FY05. The Special Revenue Fund expenditures decreased by \$468,266 from \$8,135,469 in FY04 to \$7,667,203 in FY05. Most of the decrease in revenues was due to a decrease in the Illinois Department of Corrections contract because of budget cuts with the State.

Using This Report

This 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 the Regional Office's financial activities.
- The Government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the Regional Office of Education as a whole and present an overall view of the Office's finances.
- Fund financial statements report the Regional Office's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the financial statements provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements and supplementary information provides detail information about the non-major funds.

Reporting the Office as a Whole

The Statement of Net Assets and the Statement of Activities

The Government-wide statements report information about the Regional Office of Education #39 as a whole. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid, using accounting methods similar to those used by private-sector companies.

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

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

The Government-wide financial statements present all of the Office's activities as governmental and business-type activities. Local, state and federal aid finance most of these activities.

The fund financial statements provide detailed information about the Regional Office's funds. Funds are accounting devices which allows the tracking of specific sources of funding and spending on particular programs. Some funds are required by state law. The Regional Office of Education #39 established other funds to control and manage money for particular purposes.

The Office has three kinds of funds:

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

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

2. Proprietary funds are funds generated from hosting educational workshops for professional development. This is the first time they were in the financial report since they were included as governmental funds in previous years.

The proprietary funds' required financial statements 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 are used to account for assets held by the Regional Office of Education #39 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

Office-Wide Financial Analysis

As noted earlier, net assets may serve when examined over time as one indicator of the financial position of the Regional Office. The net assets at the end of FY05 totaled approximately \$1,358,147. The analysis that follows provides a summary of the Office's net assets at June 30, 2005.

CONDENSED STATEMENT OF NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current Assets	\$ 2,608,509	\$ 2,398,433	\$ 7,335	\$ -	\$ 2,615,844	\$ 2,398,433
Capital Assets, net	102,055	108,318	1,596	-	103,651	108,318
Total Assets	<u>2,710,564</u>	<u>2,506,751</u>	<u>8,931</u>	<u>-</u>	<u>2,719,495</u>	<u>2,506,751</u>
Current Liabilities	1,216,057	1,046,549	3,750	-	1,219,807	1,046,549
Long-Term Liabilities	141,541	141,705	-	-	141,541	141,705
Total Liabilities	<u>1,357,598</u>	<u>1,188,254</u>	<u>3,750</u>	<u>-</u>	<u>1,361,348</u>	<u>1,188,254</u>
Net Assets:						
Invested in Capital Assets, Net of related debt	102,055	108,318	1,596	-	103,651	108,318
Unrestricted	1,250,911	1,210,179	3,585	-	1,254,496	1,210,179
Total Net Assets	<u>\$ 1,352,966</u>	<u>\$ 1,318,497</u>	<u>\$ 5,181</u>	<u>\$ -</u>	<u>\$ 1,358,147</u>	<u>\$ 1,318,497</u>

The following analysis shows the changes in net assets for the year ended June 30, 2005. The 2005 beginning net assets do not agree to the 2004 ending net assets due to the reclassification of a fund from governmental activities to business-type activities. See Note 19 on page 57 for further information about the reclassification.

CHANGES IN NET ASSETS

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 15,840	\$ -	\$ 15,840	\$ -
Capital grants & contributions	-	9,245	-	-	-	9,245
Operating grants & contributions	7,258,820	7,867,479	-	-	7,258,820	7,867,479
General revenues:						
Local sources	1,067,856	1,015,004	-	-	1,067,856	1,015,004
On-behalf payments - State	708,114	865,259	-	-	708,114	865,259
Interest	17,473	10,552	-	-	17,473	10,552
Total revenues	<u>9,052,263</u>	<u>9,767,539</u>	<u>15,840</u>	<u>-</u>	<u>9,068,103</u>	<u>9,767,539</u>
Expenses:						
Program expenses:						
Instructional services:						
Salaries and benefits	6,774,482	7,114,145	-	-	6,774,482	7,114,145
Purchased services	1,222,035	1,182,734	-	-	1,222,035	1,182,734
Supplies and materials	201,028	243,932	-	-	201,028	243,932
Capital outlay	-	41,449	-	-	-	41,449
Payments to other governments	51,198	58,667	-	-	51,198	58,667
Debt service interest	238	-	-	-	238	-
Other objects	-	652	-	-	-	652
Depreciation	48,260	40,065	-	-	48,260	40,065
Administrative expenses:						
On-behalf payments - State	708,114	865,259	-	-	708,114	865,259
Business-type expenses	-	-	23,098	-	23,098	-
Total expenses	<u>9,005,355</u>	<u>9,546,903</u>	<u>23,098</u>	<u>-</u>	<u>9,028,453</u>	<u>9,546,903</u>
Change in Net Assets	46,908	220,636	(7,258)	-	39,650	220,636
Net Assets, beginning of year	<u>1,306,058</u>	<u>1,097,861</u>	<u>12,439</u>	<u>-</u>	<u>1,318,497</u>	<u>1,097,861</u>
Net Assets, end of year	<u>\$ 1,352,966</u>	<u>\$ 1,318,497</u>	<u>\$ 5,181</u>	<u>\$ -</u>	<u>\$ 1,358,147</u>	<u>\$ 1,318,497</u>

Governmental Activities

Revenues for governmental activities were \$9,052,263 and expenses were \$9,005,355. The Regional Office of Education #39 experienced an increase in net assets of \$46,908. The increase was due to an increase in interest and local source revenues and a decrease in salaries and benefits expenditures.

Financial Analysis of the Regional Office of Education #39 Funds

As previously noted, the Regional Office of Education #39 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency's Governmental Funds reported combined fund balances of \$1,392,452 for FY05, an increase of \$53,007 over the FY04 fund balances total of \$1,339,445.

Governmental Fund Highlights:

- County support for the Regional Office of Education #39 remained the same as FY04 at \$196,492.
- IDOC contract decreased significantly by 13% to \$4,795,736.
- There was an increase in the state aid foundation level to \$4,964 per student from \$4,810. This has helped off-set the reduction in the grant dollars provided for the Futures Program.

Proprietary Fund Highlights:

- In FY05, we had ten (10) workshops. We anticipate having seventeen (17) workshops in FY06.

Budgetary Highlights:

The Regional Office of Education #39 annually adopts budgets for several funds. The Resource Library Cooperative budget and the Heartland Vocational Cooperative budget are prepared by the Regional Superintendent or program coordinator and serve as a guideline for activities and expenditures. These two entities are considered separate from the Regional Office. They are audited on an annual basis by outside auditing firms and budgets are submitted to the Illinois State Board of Education and the Illinois Community College Board. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the two County Boards for their approval. The Office Operations budget covers a fiscal year which runs from December 1 to November 30. Since these budgets are not based on the same operating period as the Regional Office, they are not presented. All grant budgets are prepared by the Regional Office of Education #39 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Schedules showing the budget amounts compared to the Office's actual financial activity for grants are included in the supplementary information of this report.

Capital Assets

Capital Assets of the Regional Office of Education #39 include office equipment, lease improvements, computers, audio-visual equipment and office furniture. The Regional Office of Education maintains an inventory of capital assets which have been accumulated over time. Capital asset increases for FY05 were \$41,997 and for FY04 were \$37,082. The increase for FY05 came as a result of grant money (System of Support and Proposal for Partnership) being used to purchase equipment, and other equipment being provided to the Regional Office. In addition, the Regional Office of Education #39 has adopted a depreciation schedule which reflects the level of Net Governmental Activities Capital Assets.

Economic Factors and Next Year's Budget

At the time these financial statements were prepared and audited, the Regional Office was aware of several existing circumstances that could affect its financial health in the future:

- The State of Illinois Foundation level used in the calculation has increased to \$5,164 per student for the next fiscal year.
- The interest rate on investments remains relatively low and will impact interest earned.
- School Service grant decreased by 3.7%.
- Expected revenues from IDOC, if lost, would dramatically decrease office operations and services.
- County revenues have not increased to meet increasing salaries or other budget line items, such as mileage and utilities.
- Adult Education grants total increased by 13.4%.
- Early childhood grants increased by 17%.
- Heartland VoTech grants increased by 7%.
- County funding for FY06 remained the same as FY05. (\$196,492)

Contacting the Regional Office's Financial Management

This financial report is designed to provide the Regional Offices' citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent of the Regional Office of Education #39 at 1690 Huston Drive, Decatur, IL 62526.

BASIC FINANCIAL STATEMENTS

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**STATEMENT OF NET ASSETS
June 30, 2005**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash	\$ 752,471	\$ 7,335	\$ 759,806
Investments	8,671	-	8,671
Accounts receivable	49,546	-	49,546
Due from other governments	1,797,821	-	1,797,821
Total current assets	2,608,509	7,335	2,615,844
Noncurrent assets:			
Capital assets, net	102,055	1,596	103,651
Total assets	2,710,564	8,931	2,719,495
LIABILITIES			
Current liabilities:			
Accounts payable	59,719	1,614	61,333
Accrued salaries and benefits	470,725	2,136	472,861
Due to other governments	69,453	-	69,453
Deferred revenue	616,160	-	616,160
Total current liabilities	1,216,057	3,750	1,219,807
Noncurrent liabilities:			
Liability for compensated absences	141,541	-	141,541
Total liabilities	1,357,598	3,750	1,361,348
NET ASSETS			
Investment in capital assets, net of related debt	102,055	1,596	103,651
Unrestricted	1,250,911	3,585	1,254,496
Total net assets	\$ 1,352,966	\$ 5,181	\$ 1,358,147

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

STATEMENT OF ACTIVITIES
For the year ended June 30, 2005

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Primary Government Total
FUNCTIONS/PROGRAMS						
Governmental activities:						
Instructional services:						
Salaries and benefits	\$ 6,774,482	-	\$ 5,988,948	\$ (785,534)	-	\$ (785,534)
Purchased services	1,222,035	-	1,023,547	(198,488)	-	(198,488)
Supplies and materials	201,028	-	168,430	(32,598)	-	(32,598)
Capital outlay	-	-	37,732	37,732	-	37,732
Payments to other governments	51,198	-	40,163	(11,035)	-	(11,035)
Debt service interest	238	-	-	(238)	-	(238)
Depreciation	48,260	-	-	(48,260)	-	(48,260)
Administrative:						
On-behalf payments - State	708,114	-	-	(708,114)	-	(708,114)
Total governmental activities	\$ 9,005,355	-	\$ 7,258,820	\$ (1,746,535)	-	\$ (1,746,535)
Business-type activities:						
Other	23,098	15,840	-	-	(7,258)	(7,258)
Total primary government	\$ 9,028,453	\$ 15,840	\$ 7,258,820	\$ (1,746,535)	\$ (7,258)	\$ (1,753,793)
General revenues:						
Local sources				1,067,856	-	1,067,856
On-behalf payments - State				708,114	-	708,114
Interest				17,473	-	17,473
Total general revenues				1,793,443	-	1,793,443
Change in net assets				46,908	(7,258)	39,650
Net assets - beginning				1,306,058	12,439	1,318,497
Net assets - ending				\$ 1,352,966	\$ 5,181	\$ 1,358,147

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2005**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 19,100	\$ 535,654	\$ 197,717	\$ 752,471
Investments	7,469	-	1,202	8,671
Accounts receivable	1,060	139	48,347	49,546
Due from other funds	697,926	16,493	-	714,419
Due from other governments	<u>22,424</u>	<u>1,748,711</u>	<u>26,686</u>	<u>1,797,821</u>
 Total assets	 <u>\$ 747,979</u>	 <u>\$ 2,300,997</u>	 <u>\$ 273,952</u>	 <u>\$ 3,322,928</u>
LIABILITIES				
Accounts payable	\$ 21,712	\$ 23,575	\$ 14,432	\$ 59,719
Accrued salaries and benefits	8,150	438,837	23,738	470,725
Due to other funds	-	689,609	24,810	714,419
Due to other governments	3,066	43,292	23,095	69,453
Deferred revenue	<u>-</u>	<u>580,000</u>	<u>36,160</u>	<u>616,160</u>
 Total liabilities	 <u>32,928</u>	 <u>1,775,313</u>	 <u>122,235</u>	 <u>1,930,476</u>
FUND BALANCES				
Unreserved, reported in:				
General fund	715,051	-	-	715,051
Special revenue funds	<u>-</u>	<u>525,684</u>	<u>151,717</u>	<u>677,401</u>
 Total fund balances	 <u>715,051</u>	 <u>525,684</u>	 <u>151,717</u>	 <u>1,392,452</u>
 Total liabilities and fund balances	 <u>\$ 747,979</u>	 <u>\$ 2,300,997</u>	 <u>\$ 273,952</u>	 <u>\$ 3,322,928</u>

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS

June 30, 2005

Total fund balances-governmental funds	\$ 1,392,452
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(141,541)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>102,055</u>
Net assets of governmental activities	<u>\$ 1,352,966</u>

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the year ended June 30, 2005

	General Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
Revenues:				
Local sources	\$ 629,756	\$ 18,598	\$ 419,502	\$ 1,067,856
State sources	81,046	5,194,219	8,628	5,283,893
Federal sources	-	1,961,767	13,160	1,974,927
On-behalf payments	708,114	-	-	708,114
Interest	16,495	71	907	17,473
	<u>1,435,411</u>	<u>7,174,655</u>	<u>442,197</u>	<u>9,052,263</u>
Total revenues				
Expenditures:				
Education:				
Salaries and benefits	324,651	6,164,351	285,644	6,774,646
Purchased services	257,833	839,877	124,325	1,222,035
Supplies and materials	33,980	148,119	18,929	201,028
Capital outlay	7,237	21,891	12,869	41,997
Payments to other governments	-	43,516	7,682	51,198
On-behalf payments	708,114	-	-	708,114
Debt service interest	238	-	-	238
	<u>1,332,053</u>	<u>7,217,754</u>	<u>449,449</u>	<u>8,999,256</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>103,358</u>	<u>(43,099)</u>	<u>(7,252)</u>	<u>53,007</u>
Other financing sources (uses):				
Transfers in	860	-	7,301	8,161
Transfers out	<u>-</u>	<u>(7,771)</u>	<u>(390)</u>	<u>(8,161)</u>
Net other sources and uses of financial resources	<u>860</u>	<u>(7,771)</u>	<u>6,911</u>	<u>-</u>
Net change in fund balances	104,218	(50,870)	(341)	53,007
Fund balances, beginning of year	<u>610,833</u>	<u>576,554</u>	<u>152,058</u>	<u>1,339,445</u>
Fund balances, end of year	<u>\$ 715,051</u>	<u>\$ 525,684</u>	<u>\$ 151,717</u>	<u>\$ 1,392,452</u>

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the year ended June 30, 2005

Net change in fund balances-governmental funds	\$ 53,007
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Capital outlay	\$ 41,997	
Depreciation expense	<u>(48,260)</u>	(6,263)

Certain reductions of expenses reported in the Statement of Activities do not provide current financial resources and therefore are not reported as reductions of expenditures in governmental funds.

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Change in net assets of governmental activities	<u><u>\$ 46,908</u></u>
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The notes to the financial statements are an integral part of this statement.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS

June 30, 2005

	Business-Type Activities Enterprise Funds <u>Workshop Reimbursement</u>
ASSETS	
Current assets:	
Cash	\$ 7,335
Noncurrent assets:	
Capital assets, net	<u>1,596</u>
Total assets	<u>8,931</u>
LIABILITIES	
Current liabilities:	
Accounts payable	1,614
Accrued salaries and benefits	<u>2,136</u>
Total liabilities	<u>3,750</u>
NET ASSETS	
Investment in capital assets, net of related debt	1,596
Unrestricted	<u>3,585</u>
Total net assets	<u>\$ 5,181</u>

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS

For the year ended June 30, 2005

	Business-Type Activities Enterprise Funds
	<u>Workshop Reimbursement</u>
Operating revenues:	
Charges for services	\$ 15,840
Operating expenses:	
Salaries and benefits	3,855
Purchased services	16,623
Supplies and materials	<u>2,620</u>
Total operating expenses	<u>23,098</u>
Operating income (loss)	<u>(7,258)</u>
Change in net assets	(7,258)
Total net assets - beginning	<u>12,439</u>
Total net assets - ending	<u>\$ 5,181</u>

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the year ended June 30, 2005

	Business-Type Activities Enterprise Funds
	<u>Workshop Reimbursement</u>
Cash flows from operating activities:	
Collection of fees	\$ 15,840
Payments to suppliers and providers of goods and services	(17,818)
Payments to employees	<u>(1,719)</u>
Net cash provided by (used for) operating activities	<u>(3,697)</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	<u>(1,596)</u>
Net cash provided by (used for) capital and related financing activities	<u>(1,596)</u>
Net increase (decrease) in cash and cash equivalents	(5,293)
Cash and cash equivalents - beginning	<u>12,628</u>
Cash and cash equivalents - ending	<u><u>\$ 7,335</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (7,258)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Increase in accounts payable	1,425
Increase in accrued salaries and benefits	<u>2,136</u>
Net cash provided by (used for) operating activities	<u><u>\$ (3,697)</u></u>

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

June 30, 2005

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 4,500
Due from other governments	<u>10,491</u>
Total assets	<u>\$ 14,991</u>
LIABILITIES	
Accounts payable	\$ 7,378
Accrued salaries and benefits	1,206
Due to other governments	<u>6,407</u>
Total liabilities	<u>\$ 14,991</u>

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

NOTES TO FINANCIAL STATEMENTS

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #39's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental units of this type.

A. Reporting Entity

The Regional Office of Education #39 was created by Illinois Public Act 76-735, as amended, effective August 8, 1995. The region encompasses Macon and Piatt counties.

The regional superintendent of schools is the chief administrative officer of the region and is elected to the position for a four-year term. The regional superintendent is responsible for the supervision and control of the school districts.

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

The Regional Office of Education #39 derives its oversight power and authority over the school districts from the School Code and is responsible for its own fiscal and budgetary matters. In evaluating how to define the financial reporting entity, the Regional Office of Education #39 has considered all potential component units. The decision to include or exclude a potential component unit was made by applying the criteria defined by the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity". The basic criterion for including a potential component unit is the financial accountability of the primary government for the potential component unit. Financial accountability was determined on the basis of authoritative appointments of a voting majority of the potential component unit's board, imposition of its will on the potential component unit, the existence of a financial benefit or burden, fiscal dependency, and the designation of management. The Macon County Cooperative Film Library is considered a governmental component unit of the Regional Office of Education #39. It is blended in the financial statements as the Film Library Fund. The Macon County Cooperative Film Library does not issue separate financial statements. The Regional Office of Education #39 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education #39 being considered a component unit of the entity.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

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

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

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education #39 and is used to account for all financial resources that are not legally restricted for expenditure for specified purposes. This fund is available to pay general and administrative expenditures of the Regional Office of Education #39. Included in this fund are:

General - To account for interest received on distributive monies.

ROE/ISC Operations - To account for the proceeds from the Illinois State Board of Education for professional development for teachers in Macon and Piatt school districts.

Business Office - To account for various business office expenditures, such as insurance, utilities, rent, and business personnel, and reimbursements from Macon and Piatt counties to help cover these costs. It also accounts for pop machine revenues and expenditures as well as interest on the pooled cash account.

Education - These Special Revenue Funds account for State, local and federal grant monies received for administration and payment of numerous grant awards for education which include:

Adult Education Performance - To account for the proceeds of a grant awarded by the Illinois Community College Board under its Adult Education program.

Adult Education Public Assistance - To account for the proceeds of a grant awarded by the Illinois Community College Board under its Adult Education program.

Adult Education State Basic - To account for the proceeds of a grant awarded by the Illinois Community College Board under its Adult Education program.

Adult Education Federal Basic - To account for the proceeds of a U.S. Department of Education grant passed through the Illinois Community College Board. The purpose of this and the other Adult Education programs is to improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary for literate functioning, enable adults who so desire to complete secondary school, enable adults to benefit from job training and retaining programs, and enable adults to obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship.

Adult Education - To account for the General State Aid proceeds used for adult education. Funding is also provided by the Macon County Mental Health Board.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Education (Continued)

WIA-Year Round Youth Program I - To account for an adult/teen GED program that allows youth ages 16-21 access to intensive workforce training, as well as opportunities for educational growth.

WIA-Year Round Youth Program II - To account for a Futures Unlimited School for current students whose reading and/or math levels are seventh grade or below.

Safe School State Aid - To account for General State Aid received from the Illinois State Board of Education based on the average daily attendance at the Safe School. Funding is also provided by the Macon County Mental Health Board.

Truants Alternative/Optional Education - To account for the proceeds of a grant from the Illinois State Board of Education to provide educational opportunities for dropouts and truants.

ADA State Aid - To account for General State Aid for the Futures Unlimited School.

Title IV Safe and Drug Free Schools - To account for the proceeds of a federal grant passed through the Illinois State Board of Education. The purpose of the program is to provide alcohol and drug education.

Title II Teacher Quality - To account for the proceeds from the Illinois State Board of Education to improve teacher effectiveness in the classroom.

Title V Innovative Programs - To account for the proceeds of a grant awarded by the Illinois State Board of Education for at-risk students to increase academic achievement.

ROE/ISC Technology - To account for technology related purchases in connection with the ROE/ISC School Improvement Grant.

Scientific Literacy - To account for the proceeds from the Illinois State Board of Education to increase knowledge and skill of administrators and teachers to align district curriculum with the Illinois Learning Standards for mathematics and science.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Education (Continued)

Title II Leadership Grants - To account for the proceeds from the Illinois State Board of Education to provide professional development opportunities for classroom teachers for appropriate standards-led use of computer-based technologies as instructional tools for engaging classroom environments.

Regional Safe Schools - To account for the proceeds of a grant awarded to Regional Offices by the Illinois State Board of Education in order to remove violent and unproductive youths from a public school setting and place them in a program where they can receive individualized attention.

Special Education for Department of Corrections - To account for proceeds from the State of Illinois Department of Corrections, and federal and State grants passed through the Illinois State Board of Education, to be used to implement special educational programs for School District #428 of the Department of Corrections.

Education to Careers - To account for the proceeds of federal funds passed through the Illinois State Board of Education. The purpose of this grant is for improvement of instruction services and assessment and testing for the Macon and Piatt school districts.

Stitches - To account for a project from the Area IV Learning Technology Center on how to use technology in a classroom setting.

Standards Aligned Classroom Project SAC Teams - To account for a project from the Iroquois/Kankakee Regional Office of Education to study and decide on Standards Aligned Classroom units in the classroom.

Standards Aligned Classroom Professional Development - To account for a contract from Area IV Learning Technology Center for summer training for teachers to do Standards Aligned Classroom development.

Early Childhood Block Grant - To account for the proceeds of a grant awarded by the Illinois State Board of Education under its remediation and intervention programs.

Early Childhood Block Grant II - To account for the proceeds of a grant awarded by the Illinois State Board of Education for the systematic identification and recruitment of teen moms and dads and the delivery of culturally appropriate education in order to engage them in their child's learning.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Education (Continued)

Even Start - To account for the proceeds of a contractual agreement with Richland Community College. Expenditures are primarily to Baby TALK, Inc. to provide coordination and early childhood and parenting instruction for those enrolled in the program.

Class Size Reduction - To account for the proceeds from the Illinois State Board of Education for professional development in class-size reduction for class sizes higher than 18 in kindergarten through third grade.

Reading Kits - To account for a contract from the Illinois State Board of Education for professional development on Reading Kits for kindergarten through fifth grade.

Not on Tobacco - To account for a grant awarded to Futures Unlimited for students to learn the hazards of tobacco products.

Certificate Renewal Local Professional Development Committee - To account for the proceeds provided to the Regional Superintendent by the Illinois State Board of Education under its Certificate Renewal program.

Title I Reading First - To account for the proceeds from the Illinois State Board of Education to coordinate efforts and provide support to help schools that have a high number of students not meeting reading standards.

Title I Reading First II - To account for the proceeds from the Illinois State Board of Education to plan and implement Reading First Academies to be delivered to kindergarten, first grade, and second grade teachers to meet the needs of students in the classroom.

Reading First Professional Development - To account for proceeds from the Illinois State Board of Education for professional development activities for the Reading First districts and coaches and provide staff to carry out these activities.

Reading First Technical Assistance - To account for proceeds from the Illinois State Board of Education for technical assistance for Reading First schools and coaches.

Adult Transition Center - To account for a grant between the Department of Corrections and Regional Office of Education #39 to provide educational services at the Adult Transition Center, a work release correctional facility.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Education (Continued)

System of Support Grant - To account for resources for schools identified by the Illinois State Board of Education as being in school improvement status.

Paraprofessional Test Preparation Initiative - To account for the proceeds used to provide preparation classes for teachers' assistants needing to take the Paraprofessional Test.

Baby Talk System of Support - To account for a contract between Richland Community College and Baby Talk for a Secretary of State Family Literacy Project that provides coordination and parenting instruction for adults enrolled in the Family Literacy Program served at Central Christian Church.

Title V Innovative Programs II - To account for a grant used in support of System of Support in technology use.

Title II Teacher Quality II - To account for a grant that supports teacher and administrator enhancement by providing staff development programs and generating awareness and supporting national certification for teachers.

Title I School Improvement - To account for a grant that supports data analysis and school improvement planning by assisting and monitoring the implementation of the School Improvement Plan and providing training and support for school improvement activities.

System of Support State - To account for a grant that provides training to ensure curriculum is aligned with the Illinois Learning Standards and the Illinois Assessment Frameworks, with an emphasis on reading and mathematics.

The government reports the following nonmajor funds:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. Included among these funds are:

Institute - To account for the proceeds earned from teacher registration, certificate renewals, and examinations. The proceeds are used to pay administrative expenses incurred on behalf of the teachers' institute, such as certificates, workshops, and general meetings, to ensure compliance with 105 ILCS 5/3-12 (Institute fund).

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Special Revenue Funds (Continued)

General Education Development (GED) - To account for proceeds earned from students who participate in the high school equivalency programs. These proceeds are used to pay the administrative expenses incurred to administer the GED program.

Film Library - To account for the revenues and expenditures of the Macon County Cooperative Film Library. The Macon County Cooperative Film Library was formed by an intergovernmental agreement among nine member school districts. The Film Library is governed by a board of control consisting of the Superintendent of each member district. The purpose of the Film Library is to provide educational films, video tapes, and computer disks to the member districts in return for an assessment based on district enrollment.

Bus Permit - To account for the proceeds from registration and user fees and a distribution from the Illinois State Board of Education. These proceeds are used to pay the administrative expenses incurred to ensure compliance with 105 ILCS 5/3-14.23 (school bus driver permits).

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

Regional Board of Trustees - To account for receipts and disbursements related to school annexation, consolidations, and school grievances.

Junior Achievement - To account for sales of candy, etc.

Futures Pop Fund - To account for revenue and expense from the pop machine.

St. Mary's Hospital School - To account for charges to local school districts for educational services provided to students being treated by St. Mary's Adolescent Mental Health Services.

Student Council - To account for sales of candy, bake sales, etc. for class trips.

Teachers' Exchange - To account for the proceeds of monthly commissions from a teachers' supply store and revenue generated by fees from classes and education conferences. Expenditures are those necessary to operate the store and subsidize the annual education conference held in Decatur.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Special Revenue Funds (Continued)

Decatur Education Conference - To account for the activity of the annual education conference held in Decatur. Revenue sources include teacher registration fees, exhibitor fees, and funding from the Teachers' Exchange and school improvement funds. Expenditures are those that are necessary to operate the conference.

Transition Fund - To account for previously collected fees from Macon and Piatt schools to assist with the use or upgrading of the internet system for the Regional Office of Education #39.

Baby Talk - To account for proceeds for outreach and family literacy programs, STEPS Early Intervention, and resources for professionals, including professional training, certification seminars, and an extensive program curriculum.

Proposal for Partnership - To account for a contract from HUB, Rantoul, to integrate technology into the classroom setting.

Partners in Education - To account for a grant obtained from Partners in Education to assist students in obtaining employment while pursuing their GED.

Futures Foundation - To account for Futures Unlimited contributions from the Community Foundation of Decatur/Macon County and various other donors.

Lumpkin Family Foundation - To account for Futures Unlimited contributions from the Lumpkin Family Foundation.

World of Work - To account for a grant that provides at risk students access to a business/work environment/setting through visits to various businesses in Decatur.

Power Up Teacher - To account for a mini grant to Adult Education to purchase abacuses for use in the classroom.

Proposal for Partnership II - To account for funds to annually improve student academic achievement in reading and math through the effective use of technology, disaggregation of data, and alignment of curriculum with the Illinois Learning Standards and achievement in schools.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Special Revenue Funds (Continued)

Department of Corrections - GED Contract - To account for GED testing at Decatur, Taylorville, Lincoln, Logan, Danville, and Pontiac correctional facilities.

Arts in Education - To account for a mini grant that provides at risk students a step by step process to write and perform their own stories through consultant services from a storyteller.

The government reports the following nonmajor proprietary fund:

Enterprise Funds - Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes. Included among these funds is:

Workshop Reimbursement - To account for workshops for professional development presented by Regional Office of Education employees.

Additionally, the government reports the following fiduciary funds:

Agency Funds - Agency Funds are used to account for assets held by the Regional Office of Education #39 in a trustee capacity or as an agent for other governments. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the outside organizations are equal to the assets held. Included among these funds are:

Distributive Fund - To account for the assets held by the Regional Office of Education #39 to be distributed to local school districts and other governmental units.

Project Success Fund - To account for grants received from the Illinois Department of Human Services and Illinois Violence Prevention that are passed directly to Project Success, a nonprofit organization.

Heartland Region Fund - To account for the assets held in trust for the benefit of Heartland Region, an intergovernmental agreement between school districts that provides quality and efficient delivery of orientation and skill level vocational programs accessible to all residents in member districts.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The government has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 Regional Office of Education #39's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services and administrative expenses.

D. Assets, Liabilities, and Net Assets or Equity

1. Cash and Investments

The Regional Office of Education #39 considers cash on hand, checking accounts, savings accounts, and investments held with an original maturity date of less than three months to be cash and cash equivalents. State regulations require that Regional Office of Education #39 deposit funds under its control into accounts insured by the federal government, accounts secured by substantial collateral, or pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

Statutes authorize the Regional Office of Education #39 to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

2. Interfund Transactions

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Capital Assets

Capital assets are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Leasehold improvements	3
Equipment	4

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

4. Compensated Absences

Employees earn vacation days after completing a full year of service. Part-time employees and individuals hired for less than a twelve month position do not accumulate paid vacation time. Accumulated vacation benefits are accrued as incurred in the government-wide financial statements. Governmental funds record accumulated unused vacation benefits payable only when due for payment, such as when an employee retires or resigns.

Full-time employees receive up to fifteen sick days per year. Part-time employees receive up to ten sick days per year. Sick leave may accumulate for all employees up to a maximum of 180 days. Unused sick leave may be certified in writing to the next employer at the request of the employee at the time of re-employment elsewhere, and unused sick leave accumulated from previous public school employers will be accepted when certified in writing to the Regional Office of Education #39. Unused sick leave, upon the retirement of the employee, may be used as service credits toward the employee's retirement fund. Employees are not entitled to any sick leave pay upon termination. Therefore, no accruals or reserves have been established. However, employees involved in the special education programs for the Department of Corrections are entitled to be paid at half-rate for unused sick leave accumulated from January 1, 1984 through June 30, 1998 upon termination. At June 30, 2005, this liability was not determinable.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Equity Classifications

Government-wide Statements

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

Investment in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation.

Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved or unreserved.

E. New Accounting Pronouncement

The GASB has issued Statement No. 40, *Deposit and Investment Risk Disclosures*, effective for the Regional Office of Education #39’s fiscal year beginning July 1, 2004. Statement No. 40 establishes additional disclosure requirements addressing common risks of investments. The Statement had no effect on the Regional Office of Education #39’s net assets or changes in net assets.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund Balance Sheet includes a reconciliation between *total fund balances-governmental funds* and *net assets of governmental activities* as reported in the government-wide Statement of Net Assets. One element of that reconciliation explains that “long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.” The \$141,541 difference is as follows:

Compensated absences	<u>\$ 141,541</u>
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B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between *net change in fund balances-governmental funds* and *change in net assets of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “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.” The details of this \$6,263 difference are as follows:

Capital outlay - assets owned by the Regional Office	\$ 41,997
Depreciation expense	<u>(48,260)</u>

Net adjustment to decrease net changes in fund balances-governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (6,263)</u>
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Another element of that reconciliation states that “certain reductions of expenses reported in the Statement of Activities do not provide current financial resources and therefore are not reported as reductions of expenditures in governmental funds.” The \$164 difference is as follows:

Change in compensated absences, net	<u>\$ 164</u>
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MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

3. BUDGETS AND BUDGETARY ACCOUNTING

The Regional Office of Education #39 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

Budgets relating to programs funded by grants from the Illinois State Board of Education are prepared and submitted to the State Board for approval as part of the grant awards process. The State Board must also approve amendments to these budgets. Grant project budgets are based on the award period. Budgets relating to programs funded by grants from the Illinois Community College Board must also be prepared and submitted for approval. Budgetary Comparison Schedules have been presented for the following grants received from the Illinois State Board of Education or the Illinois Community College Board: ROE/ISC Operations, Adult Education Performance, Adult Education Public Assistance, Adult Education State Basic, Adult Education Federal Basic, Truants Alternative/Optional Education, Title IV Safe and Drug Free Schools, Title II Teacher Quality, Title V Innovative Programs, Regional Safe Schools, Early Childhood Block Grant, Early Childhood Block Grant II, Title I Reading First, Title I Reading First II, Title I Reading First Professional Development, and Title I Reading First Technical Assistance.

4. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

5. INTEREST ON DISTRIBUTIVE FUND ACCOUNTS

Interest earned on Distributive Fund receipts is reported as revenue in the General Fund by the consent of all affected school districts and other entities.

6. DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2005, the government-wide and agency fund's carrying amounts of the Regional Office of Education #39's deposits were \$759,806 and \$4,500, respectively. The bank balances, including a common checking account, were \$862,670. At June 30, 2005, deposits with a bank balance of \$733,000 were invested in a Treasury-Municipal Investment Fund. Such deposits are invested in direct obligations of the United States Government and are stated at cost which approximates market. Of the remaining deposits of \$129,670, \$114,880 was secured by federal depository insurance and \$14,790 was collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education #39's name.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

6. DEPOSITS AND INVESTMENTS (Continued)

B. Investments

The Regional Office of Education #39 does not have a formal investments policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. At June 30, 2005, the Regional Office of Education #39 had investments with carrying and fair values of \$8,671 invested in the Illinois Funds Money Market Fund.

Credit Risk

At June 30, 2005, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

Interest Rate Risk

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

Concentration of Credit Risk

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2005 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets being depreciated:				
Leasehold improvements	\$ 45,000	\$ -	\$ -	\$ 45,000
Equipment	<u>128,771</u>	<u>41,997</u>	<u>-</u>	<u>170,768</u>
Total capital assets being depreciated	<u>173,771</u>	<u>41,997</u>	<u>-</u>	<u>215,768</u>
Less accumulated depreciation for:				
Leasehold improvements	(18,750)	(15,000)	-	(33,750)
Equipment	<u>(46,703)</u>	<u>(33,260)</u>	<u>-</u>	<u>(79,963)</u>
Total accumulated depreciation	<u>(65,453)</u>	<u>(48,260)</u>	<u>-</u>	<u>(113,713)</u>
Governmental activities capital assets, net	<u>\$ 108,318</u>	<u>\$ (6,263)</u>	<u>\$ -</u>	<u>\$ 102,055</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ -	\$ 1,596	\$ -	\$ 1,596
Total capital assets being depreciated	<u>-</u>	<u>1,596</u>	<u>-</u>	<u>1,596</u>
Less accumulated depreciation for:				
Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ 1,596</u>	<u>\$ -</u>	<u>\$ 1,596</u>

Depreciation expense was charged to functions/programs of Regional Office of Education #39 as follows:

Governmental activities:	
Instructional services:	
Depreciation	<u>\$ 48,260</u>
Business-type activities:	
Other:	
Depreciation	<u>\$ -</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

7. CAPITAL ASSETS (Continued)

The Combined Statement of Revenues, Expenditures and Changes in Fund Balance reflects capital outlay totaling \$41,997. In some instances, the ownership of the asset does not belong to the Regional Office of Education #39, but rather belongs to the governmental or non-profit entity that ultimately benefits from the purchase. The Statement of Net Assets includes only those assets owned by the Regional Office of Education #39. A summary of capital asset purchases follows:

Purchases of capital assets by grants in which the Regional Office is not the owner	\$ -
Purchases of capital assets owned by the Regional Office and included in the Statement of Net Assets	<u>41,997</u>
	<u>\$ 41,997</u>

8. RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

The Regional Office of Education #39 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 through June 30, 2005 was 9 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer.

In addition, virtually, all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The employer THIS Fund contribution was 0.5 percent during the year ended June 30, 2005, and the member THIS Fund health insurance contribution was 0.75 percent.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

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

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #39's TRS-covered employees.

On-Behalf Contributions - The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #39. For the year ended June 30, 2005, the State of Illinois contributions were made based on 11.76 percent of creditable earnings, and the Regional Office of Education #39 recognized revenue and expenditures of \$508,663 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2004 and June 30, 2003, the State of Illinois contribution rates as percentages of creditable earnings were 13.98 percent (\$668,421) and 13.01 percent (\$629,890), respectively.

The Regional Office of Education #39 makes three other types of employer contributions directly to TRS.

2.2 Formula Contributions - For the years ended June 30, 2005, and June 30, 2004, employers contributed 0.58 percent of creditable earnings for the 2.2 formula change. Contributions for the years ended June 30, 2005, and June 30, 2004 were \$25,084 and \$27,741, respectively.

For the year ended June 30, 2003, part of the employer's 2.2 formula contribution (0.58 percent of pay) was reduced as a result of a new employer THIS Fund contribution for retiree health insurance (0.4 percent of pay). The remaining 0.18 percent was submitted to TRS. Contributions for the year ended June 30, 2003 were \$8,715.

Federal and Trust Fund Contributions - When TRS members are paid from federal and trust funds administered by the Regional Office of Education #39, there is a statutory requirement for the Regional Office of Education #39 to pay an employer pension contribution from those funds. For the three years ended June 30, 2005, the employer pension contribution was 10.5 percent of salaries paid from those funds. For the year ended June 30, 2005, salaries totaling \$1,063,215 were paid from federal and trust funds that required employer contributions of \$111,638. For the years ended June 30, 2004 and June 30, 2003, required district contributions were \$84,412 and \$58,274, respectively.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

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

Early Retirement Option - The Regional Office of Education #39 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option. The payments vary depending on the age and salary of the member. No member or employer contributions are required if the member has 34 years of service.

The maximum employer payment of 100 percent of the member's highest salary used in the calculation of final average salary is required if the member is 55 years old. For the year ended June 30, 2005, the Regional Office of Education #39 paid \$90,446 for employer contributions under the Early Retirement Option. For the years ending June 30, 2004, and June 30, 2003 the Regional Office of Education #39 paid no employer contributions under the Early Retirement Option.

Public Act 94-0004, which was signed into law on June 1, 2005, contained a number of provisions affecting employer and active member contributions. Most will not be effective or impact financial statements until the year ending June 30, 2006. The changes are summarized below:

Active member contributions - The active member contribution rate will increase from the current 9.0 percent of creditable earnings to 9.4 percent beginning July 1, 2005. The increase is to help cover the cost of the new ERO program and will be refunded if the member does not retire under ERO.

State/federal contributions - Under a policy adopted by the Board of Trustees before Public Act 94-0004 was enacted, the employer contribution rate for employees paid from federal funds will be the same as the rate paid by the state. Under Public Act 94-0004, the state contribution rate in FY 2006 was reduced to 7.06 percent of pay. Therefore, the employer contribution rate for employees paid from federal funds in FY 2006 will be 7.06 percent, a decrease from the current 10.50 percent.

New employer contributions

Salary increases over 6 percent - If employers grant salary increases in excess of 6 percent that are used in final average salary calculations, the employer will make a lump-sum contribution to TRS to cover the cost of the portion of the benefit due to salary increases over 6 percent. Public Act 94-0004 exempts salary increases granted under contracts and collective bargaining agreements in effect on June 1, 2005.

Sick leave in excess of normal allotment - If employers grant sick leave near retirement in excess of the normal annual allotment and that sick leave is counted as service credit, the employer will make a lump-sum contribution to TRS. The act exempts sick leave granted under contracts and collective bargaining agreements in effect on June 1, 2005.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

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

Early Retirement Option - In addition to changes described above, the following changes were made to ERO:

Both active member and employer ERO contribution rates are increased. For employers, the maximum contribution increases from the current 100 percent of the member's highest salary used in the calculation of final average salary to 117.5 percent.

The waiver of member and employer ERO contributions when the member has 34 years of service ended with the program that expired June 30, 2005.

A "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007.

Public Act 94-0004 provides for a review of the member and employer ERO contributions every five years to ensure that the program is revenue neutral.

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, 2004. The report for the year ended June 30, 2005, is expected to be available in late 2005.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

B. Illinois Municipal Retirement Fund

The Regional Office of Education #39's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system, provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund (Continued)

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Regional Office of Education #39 is required to contribute at an actuarially determined rate. The employer rate for calendar year 2004 was 5.42 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2004 was 2 years.

For December 31, 2004, the Regional Office of Education #39's annual pension cost of \$61,840 was equal to the Regional Office of Education #39's required and actual contributions. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2004 actuarial valuation were based on the 1999-2001 experience study.

Trend Information

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/30/04	\$ 61,840	100%	\$ -
12/31/03	83,247	100%	-
12/31/02	105,131	100%	-
12/31/01	149,703	100%	-
12/31/00	147,886	100%	-
12/31/99	164,226	100%	-
12/31/98	157,828	100%	-
12/31/97	131,357	100%	-
12/31/96	103,298	100%	-
12/31/95	40,429	100%	-

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund (Continued)

Schedule of Funding Progress

The Schedule of Funding Progress gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. The Schedule of Funding Progress for the past ten years is reported as required supplementary information.

C. Social Security

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security.

9. INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2005, interfund receivables and payables were as follows:

<u>Due To (Receivable Fund)</u>	<u>Due From (Payable Fund)</u>	<u>Balance at June 30, 2005</u>
General Fund:	Education Fund:	
Business Office	WIA - Year Round Youth Program II	\$ 34,148
Business Office	Special Education for Department of Corrections	612,317
Business Office	Early Childhood Block Grant II	19,671
Business Office	Even Start	23,473
General Fund:	Nonmajor Governmental Fund:	
Business Office	Baby Talk	8,317
Education Fund:	Nonmajor Governmental Fund:	
ADA State Aid	Baby Talk	13,806
ADA State Aid	DOC-GED Contract	2,687
		<u>\$ 714,419</u>

All of the interfund balances are within the same pooled cash account. The amounts are cash balances borrowed from the General Fund and the Education Fund.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

10. SHORT-TERM DEBT

On October 14, 2004, the Regional Office of Education #39 entered into a short-term loan of \$300,000 to cover operating expenses. The loan has a variable interest rate equal to the Lenders Prime Rate. The loan was due on January 14, 2005. The short-term debt activity for the year ended June 30, 2005 was as follows:

	<u>Balance at July 1, 2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2005</u>
Note payable	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>

11. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2005 was as follows:

	<u>Balance at July 1, 2004</u>	<u>Reductions</u>	<u>Balance at June 30, 2005</u>
Compensated Absences	<u>\$ 141,705</u>	<u>\$ 164</u>	<u>\$ 141,541</u>

Due to the nature of the obligation for compensated absences, annual requirements to amortize such obligations are not determinable and have not been presented. Compensated absences are liquidated through the fund that provides the particular employee's salary.

12. BOND

The 105 ILCS 5/3-2 directs the Regional Office of Education #39 to execute a bond of not less than \$100,000 on the regional superintendent. The Regional Office of Education #39 has secured and maintained such a bond with coverage of \$100,000 on the regional superintendent.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

13. ON-BEHALF PAYMENTS

The Regional Office of Education #39 has received on-behalf payments for employee salaries and benefits from the State of Illinois for the following items:

Regional Superintendent-salary	\$ 88,540
Regional Superintendent-benefits (includes State paid insurance)	14,537
Assistant Regional Superintendent-salary	79,686
Assistant Regional Superintendent-benefits (includes State paid insurance)	16,688
TRS pension contributions	<u>508,663</u>
	<u>\$ 708,114</u>

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

The on-behalf payments are reflected as revenues and expenditures of the General Fund.

14. RISK MANAGEMENT - CLAIMS AND JUDGMENTS

The Regional Office of Education #39 is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation; and natural disasters. The Regional Office of Education #39 is covered by commercial insurance to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years.

15. CONTINGENCIES

The Regional Office of Education #39 has received funding from federal and State grants in the current and prior years which are subject to audits by granting agencies. The Regional Office of Education #39 believes any adjustments that may arise will be insignificant to the Regional Office of Education #39's operations.

16. OPERATING LEASES

The Regional Office of Education #39 is committed through July 31, 2008 under a lease agreement for the ground and second floor of a building located at 250 East William Street, Decatur, Illinois. This lease calls for monthly rental payments of \$6,736 from August 1, 2003 to July 31, 2005 and \$7,073 from August 1, 2005 to July 31, 2008. The lease also calls for the Regional Office to make substantial interior and exterior improvements to the property and to pay all utilities and liability insurance.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

16. OPERATING LEASES (Continued)

The Regional Office has the option to extend the lease for one additional two-year period with monthly rental payments of \$7,073 from August 1, 2008 to July 31, 2010.

The Regional Office is committed through June 30, 2006 under a lease agreement for the building located at 1690 Huston Drive, Decatur, Illinois. This lease calls for monthly rental payments of \$3,675.

The counties served by the Regional Office are required by statute to provide the Regional Superintendent of Schools with office space. Therefore, Macon and Piatt Counties share a portion of the facility costs associated with the office space and reimburse the Regional Office for the rent, building maintenance and utilities expense incurred as a result of the lease for this office space.

The Regional Office of Education #39 is committed through March 31, 2006 under a lease agreement for the first floor of the building located at 432 North Water Street, Decatur, Illinois. This lease calls for monthly rent payments of \$2,500 from April 1, 2003 to March 31, 2006. The lease also calls for the Regional Office to make substantial interior and exterior improvements to the property and to pay all utilities and liability insurance.

For financial accounting purposes, these leases are considered operating leases.

Future minimum payments are as follows:

<u>Year ending June 30</u>	<u>Amount</u>
2006	\$ 151,139
2007	84,876
2008	84,876
2009	<u>7,073</u>
	<u>\$ 327,964</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

17. DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #39's General Fund, Agency Funds and various grant programs have funds due to and due from various other governmental units which consist of the following:

Due From Other Governments

Illinois State Board of Education	\$ 87,971
Macon County	13,958
Piatt County	2,866
Macon County Workforce Investment Solutions	53,282
Illinois Department of Corrections	1,522,761
Illinois Community College Board	11,238
Richland Community College	32,123
Macon County Mental Health Board	4,662
Iroquois Kankakee Regional Office of Education #32	57,142
Decatur School District	21,796
Western Illinois University	513
Total	<u>\$1,808,312</u>

Due To Other Governments

Illinois State Board of Education	\$ 45,222
Iroquois Kankakee Regional Office of Education #32	3,047
Eastern Illinois University	23,095
Local School Districts	4,496
Total	<u>\$ 75,860</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

18. SCHEDULE OF TRANSFERS

During the fiscal year ended June 30, 2005, transfers were as follows:

Transfers From Other Funds (Transfers In)		Transfers To Other Funds (Transfers Out)	
<hr/>		<hr/>	
General Fund:		Education Fund:	
Business Office	\$ 1	ROE/ISC Technology	\$ 1
Business Office	1	Scientific Literacy	1
Business Office	3	Title II Leadership Grants	3
Business Office	1	Education to Careers	1
Business Office	461	Stitches	461
Business Office	1	Class Size Reduction	1
Business Office	1	Reading Kits	1
Business Office	1	Certificate Renewal	1
 General Fund:		 Nonmajor Governmental Fund:	
Business Office	313	Transition Fund	313
Business Office	77	Proposal for Partnership	77
 Nonmajor Governmental Fund:		 Education Fund:	
St. Mary's Hospital School	<u>7,301</u>	ADA State Aid	<u>7,301</u>
	<u>\$ 8,161</u>		<u>\$ 8,161</u>

The transfers to the General Fund were to reclassify cash from inactive funds. The transfer to the Nonmajor Governmental Fund was to allocate State Aid funding from the Education Fund.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

19. RECLASSIFICATIONS

The Regional Office of Education #39 decided to reclassify one of its funds, a Nonmajor Governmental Fund, to an Enterprise Fund. Therefore, beginning net assets and fund balances have been reclassified as follows:

	Governmental Activities	Business-Type Activities
Net assets at June 30, 2004	\$ 1,318,497	\$ -
Reclassification adjustment	(12,439)	12,439
Net assets restated at June 30, 2004	\$ 1,306,058	\$ 12,439

	Nonmajor Governmental Funds	Enterprise Funds
Fund balance at June 30, 2004	\$ 164,497	\$ -
Reclassification adjustment	(12,439)	12,439
Fund balance restated at June 30, 2004	\$ 152,058	\$ 12,439

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
UNAUDITED

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)
12/30/04	\$1,346,397	\$ 1,627,772	\$ 281,375	82.71%	\$ 1,140,969	24.66%
12/31/03	1,281,403	1,402,631	121,228	91.36%	1,099,696	11.02%
12/31/02	1,413,566	1,341,717	(71,849)	105.36%	1,120,802	0.00%
12/31/01	1,233,940	1,212,441	(21,499)	101.77%	1,271,901	0.00%
12/31/00	1,117,463	1,196,672	79,209	93.38%	1,275,983	6.21%
12/31/99	865,397	1,115,908	250,511	77.55%	1,289,060	19.43%
12/31/98	621,401	908,067	286,666	68.43%	1,255,593	22.83%
12/31/97	413,127	764,011	350,884	54.07%	1,206,734	29.08%
12/31/96	225,815	578,521	352,706	39.03%	1,261,271	27.96%
12/31/95	69,683	348,571	278,888	19.99%	493,636	56.50%

On a market value basis, the actuarial value of assets as of December 31, 2004 was \$1,350,931. On a market basis, the funded ratio would be 82.99 percent.

Digest of Changes:

The actuarial assumptions used to determine the actuarial accrued liability for 2004 are based on the 1999-2001 Experience Study.

The principal changes were:

- Fewer members are expected to take refunds early in their career.
- For regular members, fewer normal and early retirements are expected to occur.

SUPPLEMENTAL INFORMATION

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 June 30, 2005

	General	ROE/ISC Operations	Business Office	Totals
ASSETS				
Cash	\$ 10,833	\$ 8,267	\$ -	\$ 19,100
Investments	7,469	-	-	7,469
Accounts receivable	-	-	1,060	1,060
Due from other funds	-	-	697,926	697,926
Due from other governments	-	-	22,424	22,424
Total assets	\$ 18,302	\$ 8,267	\$ 721,410	\$ 747,979
LIABILITIES				
Accounts payable	\$ -	\$ 4,869	\$ 16,843	\$ 21,712
Accrued salaries and benefits	-	331	7,819	8,150
Due to other governments	-	3,066	-	3,066
Total liabilities	-	8,266	24,662	32,928
FUND BALANCES				
Unreserved	18,302	1	696,748	715,051
Total liabilities and fund balances	\$ 18,302	\$ 8,267	\$ 721,410	\$ 747,979

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the year ended June 30, 2005**

	General	ROE/ISC Operations	Business Office	Totals
Revenues:				
Local sources	\$ -	\$ -	\$ 629,756	\$ 629,756
State sources	-	75,446	5,600	81,046
On-behalf payments	708,114	-	-	708,114
Interest	712	-	15,783	16,495
Total revenues	708,826	75,446	651,139	1,435,411
Expenditures:				
Salaries and benefits	-	35,053	289,598	324,651
Purchased services	-	31,004	226,829	257,833
Supplies and materials	-	5,744	28,236	33,980
Capital outlay	-	3,645	3,592	7,237
On-behalf payments	708,114	-	-	708,114
Debt service interest	-	-	238	238
Total expenditures	708,114	75,446	548,493	1,332,053
Excess of revenues over expenditures	712	-	102,646	103,358
Other financing sources (uses):				
Transfers in	-	-	860	860
Net change in fund balances	712	-	103,506	104,218
Fund balances, beginning of year	17,590	1	593,242	610,833
Fund balances, end of year	\$ 18,302	\$ 1	\$ 696,748	\$ 715,051

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND ACCOUNTS
 ROE/ISC OPERATIONS - PROJECT #05-3730-00
 For the year ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 75,446	\$ 75,446	\$ 75,446	\$ -
Expenditures:				
Salaries and benefits	34,897	35,116	35,053	(63)
Purchased services	35,651	30,941	31,004	63
Supplies and materials	3,594	5,744	5,744	-
Capital outlay	1,304	3,645	3,645	-
Total expenditures	75,446	75,446	75,446	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			1	
Fund balance, end of year			\$ 1	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND

June 30, 2005

	Adult Education Performance	Adult Education Public Assistance	Adult Education State Basic	Adult Education Federal Basic
ASSETS				
Cash	\$ 427	\$ -	\$ 346	\$ -
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	3,345	-	7,893
Total assets	<u>\$ 427</u>	<u>\$ 3,345</u>	<u>\$ 346</u>	<u>\$ 7,893</u>
LIABILITIES				
Accounts payable	\$ -	\$ 369	\$ -	\$ -
Accrued salaries and benefits	427	540	345	488
Due to other funds	-	2,436	-	7,405
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>427</u>	<u>3,345</u>	<u>345</u>	<u>7,893</u>
FUND BALANCES				
Unreserved	-	-	1	-
Total liabilities and fund balances	<u>\$ 427</u>	<u>\$ 3,345</u>	<u>\$ 346</u>	<u>\$ 7,893</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS (Continued)
 EDUCATION FUND
 June 30, 2005

	Adult Education	WIA - Year Round Youth Program I	WIA - Year Round Youth Program II	Safe School State Aid
ASSETS				
Cash	\$ 139,378	\$ -	\$ -	\$ 186,425
Accounts receivable	-	-	14	125
Due from other funds	-	-	-	-
Due from other governments	-	12,956	40,326	4,736
Total assets	<u>\$ 139,378</u>	<u>\$ 12,956</u>	<u>\$ 40,340</u>	<u>\$ 191,286</u>
LIABILITIES				
Accounts payable	\$ 1,350	\$ -	\$ 1,244	\$ 4,376
Accrued salaries and benefits	2,541	715	4,948	3,645
Due to other funds	-	12,241	34,148	-
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>3,891</u>	<u>12,956</u>	<u>40,340</u>	<u>8,021</u>
FUND BALANCES				
Unreserved	<u>135,487</u>	<u>-</u>	<u>-</u>	<u>183,265</u>
Total liabilities and fund balances	<u>\$ 139,378</u>	<u>\$ 12,956</u>	<u>\$ 40,340</u>	<u>\$ 191,286</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS (Continued)
 EDUCATION FUND
 June 30, 2005

	Truants Alternative/ Optional Education	ADA State Aid	Title IV Safe and Drug Free Schools	Title II Teacher Quality
ASSETS				
Cash	\$ 23,354	\$ 133,238	\$ -	\$ 3,468
Accounts receivable	-	-	-	-
Due from other funds	-	140,868	-	-
Due from other governments	-	10,800	-	-
Total assets	<u>\$ 23,354</u>	<u>\$ 284,906</u>	<u>\$ -</u>	<u>\$ 3,468</u>
LIABILITIES				
Accounts payable	\$ -	\$ 4,829	\$ -	\$ 1,642
Accrued salaries and benefits	23,354	75,369	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	62
Deferred revenue	-	-	-	-
Total liabilities	<u>23,354</u>	<u>80,198</u>	<u>-</u>	<u>1,704</u>
FUND BALANCES				
Unreserved	-	204,708	-	1,764
Total liabilities and fund balances	<u>\$ 23,354</u>	<u>\$ 284,906</u>	<u>\$ -</u>	<u>\$ 3,468</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS (Continued)
 EDUCATION FUND
 June 30, 2005

	Title V Innovative Programs	ROE/ISC Technology	Scientific Literacy	Title II Leadership Grants
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<hr/> -	<hr/> -	<hr/> -	<hr/> -
FUND BALANCES				
Unreserved	<hr/> -	<hr/> -	<hr/> -	<hr/> -
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND

June 30, 2005

	Regional Safe Schools	Special Education for Department of Corrections	Education to Careers	Stitches
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	27,503	1,498,328	-	-
Total assets	\$ 27,503	\$ 1,498,328	\$ -	\$ -
LIABILITIES				
Accounts payable	\$ -	\$ 1,916	\$ -	\$ -
Accrued salaries and benefits	9,689	304,030	-	-
Due to other funds	17,814	612,317	-	-
Due to other governments	-	-	-	-
Deferred revenue	-	580,000	-	-
Total liabilities	27,503	1,498,263	-	-
FUND BALANCES				
Unreserved	-	65	-	-
Total liabilities and fund balances	\$ 27,503	\$ 1,498,328	\$ -	\$ -

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2005**

	Standards Aligned Classroom Project SAC Teams	Standards Aligned Classroom Professional Development	Early Childhood Block Grant	Early Childhood Block Grant II
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	8,298	25,205
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ -	\$ -	\$ 8,298	\$ 25,205
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 142	\$ 19
Accrued salaries and benefits	-	-	1,506	5,515
Due to other funds	-	-	6,650	19,671
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	-	-	8,298	25,205
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES				
Unreserved	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ -	\$ -	\$ 8,298	\$ 25,205
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND

June 30, 2005

	Even Start	Class Size Reduction	Reading Kits	Not on Tobacco
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ 394
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	25,236	-	-	-
Total assets	\$ 25,236	\$ -	\$ -	\$ 394
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	1,763	-	-	-
Due to other funds	23,473	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	25,236	-	-	-
FUND BALANCES				
Unreserved	-	-	-	394
Total liabilities and fund balances	\$ 25,236	\$ -	\$ -	\$ 394

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS (Continued)
 EDUCATION FUND
 June 30, 2005

	Certificate Renewal Local Professional Development Committee	Title I Reading First	Title I Reading First II	Reading First Professional Development
ASSETS				
Cash	\$ -	\$ 22,817	\$ 3,666	\$ 8,809
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 22,817</u>	<u>\$ 3,666</u>	<u>\$ 8,809</u>
LIABILITIES				
Accounts payable	\$ -	\$ 37	\$ -	\$ 3,948
Accrued salaries and benefits	-	1,409	-	-
Due to other funds	-	-	-	-
Due to other governments	-	21,371	3,666	4,861
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>22,817</u>	<u>3,666</u>	<u>8,809</u>
FUND BALANCES				
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 22,817</u>	<u>\$ 3,666</u>	<u>\$ 8,809</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS (Continued)
 EDUCATION FUND
 June 30, 2005

	Reading First Technical Assistance	Adult Transition Center	System of Support Grant	Paraprofessional Test Preparation Initiative
ASSETS				
Cash	\$ 13,332	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	20,056	13,263	1,250
Total assets	<u>\$ 13,332</u>	<u>\$ 20,056</u>	<u>\$ 13,263</u>	<u>\$ 1,250</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 219	\$ -
Accrued salaries and benefits	-	1,527	455	-
Due to other funds	-	18,529	12,589	1,250
Due to other governments	13,332	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>13,332</u>	<u>20,056</u>	<u>13,263</u>	<u>1,250</u>
FUND BALANCES				
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 13,332</u>	<u>\$ 20,056</u>	<u>\$ 13,263</u>	<u>\$ 1,250</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS (Continued)
 EDUCATION FUND
 June 30, 2005

	Baby Talk System of Support	Title V Innovative Programs II	Title II Teacher Quality II	Title I School Improvement
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	6,887	8,333	13,363	14,770
Total assets	<u>\$ 6,887</u>	<u>\$ 8,333</u>	<u>\$ 13,363</u>	<u>\$ 14,770</u>
LIABILITIES				
Accounts payable	\$ -	\$ 3,484	\$ -	\$ -
Accrued salaries and benefits	366	-	-	-
Due to other funds	6,521	4,849	13,363	14,770
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>6,887</u>	<u>8,333</u>	<u>13,363</u>	<u>14,770</u>
FUND BALANCES				
Unreserved	-	-	-	-
Total liabilities and fund balances	<u>\$ 6,887</u>	<u>\$ 8,333</u>	<u>\$ 13,363</u>	<u>\$ 14,770</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS (Continued)
 EDUCATION FUND
 June 30, 2005

	System of Support State	Eliminations	Totals
ASSETS			
Cash	\$ -	\$ -	\$ 535,654
Accounts receivable	-	-	139
Due from other funds	-	(124,375)	16,493
Due from other governments	6,163	-	1,748,711
	<u>6,163</u>	<u>-</u>	<u>1,748,711</u>
Total assets	<u>\$ 6,163</u>	<u>\$ (124,375)</u>	<u>\$ 2,300,997</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 23,575
Accrued salaries and benefits	205	-	438,837
Due to other funds	5,958	(124,375)	689,609
Due to other governments	-	-	43,292
Deferred revenue	-	-	580,000
	<u>6,163</u>	<u>(124,375)</u>	<u>1,775,313</u>
Total liabilities	<u>6,163</u>	<u>(124,375)</u>	<u>1,775,313</u>
FUND BALANCES			
Unreserved	-	-	525,684
	<u>-</u>	<u>-</u>	<u>525,684</u>
Total liabilities and fund balances	<u>\$ 6,163</u>	<u>\$ (124,375)</u>	<u>\$ 2,300,997</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For year ended June 30, 2005

	Adult Education Performance	Adult Education Public Assistance	Adult Education State Basic	Adult Education Federal Basic
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	44,511	38,843	31,415	-
Federal sources	-	-	-	32,893
Interest	-	-	-	-
Total revenues	44,511	38,843	31,415	32,893
Expenditures:				
Salaries and benefits	40,296	34,568	30,564	28,633
Purchased services	2,826	333	698	2,535
Supplies and materials	1,389	3,942	152	1,725
Capital outlay	-	-	-	-
Payments to other governments	-	-	-	-
Total expenditures	44,511	38,843	31,414	32,893
Excess (deficiency) of revenues over (under) expenditures	-	-	1	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	1	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ 1	\$ -

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
EDUCATION FUND ACCOUNTS
For year ended June 30, 2005**

	Adult Education	WIA - Year Round Youth Program I	WIA - Year Round Youth Program II	Safe School State Aid
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ 13,679
State sources	-	-	-	108,775
Federal sources	-	51,896	81,028	25,491
Interest	-	-	-	-
Total revenues	-	51,896	81,028	147,945
Expenditures:				
Salaries and benefits	112,155	38,707	74,651	86,782
Purchased services	36,262	9,872	4,825	47,997
Supplies and materials	4,645	3,317	1,552	2,699
Capital outlay	-	-	-	-
Payments to other governments	-	-	-	-
Total expenditures	153,062	51,896	81,028	137,478
Excess (deficiency) of revenues over (under) expenditures	(153,062)	-	-	10,467
Other financing sources (uses):				
Transfers in	134,970	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	134,970	-	-	-
Net change in fund balances	(18,092)	-	-	10,467
Fund balances, beginning of year	153,579	-	-	172,798
Fund balances, end of year	\$ 135,487	\$ -	\$ -	\$ 183,265

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
EDUCATION FUND ACCOUNTS
For year ended June 30, 2005**

	Truants Alternative/ Optional Education	ADA State Aid	Title IV Safe and Drug Free Schools	Title II Teacher Quality
Revenues:				
Local sources	\$ -	\$ 4,919	\$ -	\$ -
State sources	279,280	517,823	-	-
Federal sources	-	-	530	3,563
Interest	-	-	-	-
Total revenues	279,280	522,742	530	3,563
Expenditures:				
Salaries and benefits	212,061	305,147	-	-
Purchased services	67,219	95,314	530	1,921
Supplies and materials	-	22,787	-	708
Capital outlay	-	-	-	934
Payments to other governments	-	-	-	-
Total expenditures	279,280	423,248	530	3,563
Excess (deficiency) of revenues over (under) expenditures	-	99,494	-	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(142,271)	-	-
Total other financing sources (uses)	-	(142,271)	-	-
Net change in fund balances	-	(42,777)	-	-
Fund balances, beginning of year	-	247,485	-	1,764
Fund balances, end of year	\$ -	\$ 204,708	\$ -	\$ 1,764

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 EDUCATION FUND ACCOUNTS
 For the year ended June 30, 2005

	Title V Innovative Programs	ROE/ISC Technology	Scientific Literacy	Title II Leadership Grants
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	769	-	-	-
Interest	-	-	-	-
Total revenues	<u>769</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Salaries and benefits	-	-	-	-
Purchased services	769	-	-	-
Supplies and materials	-	-	-	-
Capital outlay	-	-	-	-
Payments to other governments	-	-	-	-
Total expenditures	<u>769</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(1)	(1)	(3)
Total other financing sources (uses)	<u>-</u>	<u>(1)</u>	<u>(1)</u>	<u>(3)</u>
Net change in fund balances	-	(1)	(1)	(3)
Fund balances, beginning of year	<u>-</u>	<u>1</u>	<u>1</u>	<u>3</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2005**

	Regional Safe Schools	Special Education for Department of Corrections	Education to Careers	Stitches
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	149,949	3,487,652	-	-
Federal sources	32,554	1,308,084	-	-
Interest	-	71	-	-
Total revenues	182,503	4,795,807	-	-
Expenditures:				
Salaries and benefits	144,696	4,349,379	-	-
Purchased services	29,520	423,709	-	-
Supplies and materials	8,287	22,718	-	-
Capital outlay	-	-	-	-
Payments to other governments	-	-	-	-
Total expenditures	182,503	4,795,806	-	-
Excess (deficiency) of revenues over (under) expenditures	-	1	-	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(1)	(461)
Total other financing sources (uses)	-	-	(1)	(461)
Net change in fund balances	-	1	(1)	(461)
Fund balances, beginning of year	-	64	1	461
Fund balances, end of year	\$ -	\$ 65	\$ -	\$ -

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2005**

	Standards Aligned Classroom Project SAC Teams	Standards Aligned Classroom Professional Development	Early Childhood Block Grant	Early Childhood Block Grant II
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	1,000	4,000	86,322	302,467
Federal sources	-	-	-	-
Interest	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	1,000	4,000	86,322	302,467
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Salaries and benefits	-	-	62,743	268,610
Purchased services	1,000	4,000	6,021	27,334
Supplies and materials	-	-	9,918	5,707
Capital outlay	-	-	7,640	816
Payments to other governments	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	1,000	4,000	86,322	302,467
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 EDUCATION FUND ACCOUNTS
 For the year ended June 30, 2005

	Even Start	Class Size Reduction	Reading Kits	Not on Tobacco
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	100,942	-	-	-
Interest	-	-	-	-
Total revenues	100,942	-	-	-
Expenditures:				
Salaries and benefits	94,995	-	-	-
Purchased services	5,947	-	-	-
Supplies and materials	-	-	-	-
Capital outlay	-	-	-	-
Payments to other governments	-	-	-	-
Total expenditures	100,942	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(1)	(1)	-
Total other financing sources (uses)	-	(1)	(1)	-
Net change in fund balances	-	(1)	(1)	-
Fund balances, beginning of year	-	1	1	394
Fund balances, end of year	\$ -	\$ -	\$ -	\$ 394

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2005**

	Certificate Renewal Local Professional Development Committee	Title I Reading First	Title I Reading First II	Reading First Professional Development
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	120,309	30,367	21,413
Interest	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	120,309	30,367	21,413
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Salaries and benefits	-	67,038	13,217	-
Purchased services	-	11,296	2,321	13,356
Supplies and materials	-	1,308	14,829	1,609
Capital outlay	-	-	-	6,448
Payments to other governments	-	40,667	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	120,309	30,367	21,413
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(1)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(1)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	(1)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	1	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 EDUCATION FUND ACCOUNTS
 For the year ended June 30, 2005

	Reading First Technical Assistance	Adult Transition Center	System of Support Grant	Paraprofessional Test Preparation Initiative
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	72,514	24,921	-
Federal sources	43,251	-	70,962	1,250
Interest	-	-	-	-
Total revenues	43,251	72,514	95,883	1,250
Expenditures:				
Salaries and benefits	24,866	68,762	65,401	-
Purchased services	6,004	1,552	18,868	900
Supplies and materials	9,532	2,200	11,614	350
Capital outlay	-	-	-	-
Payments to other governments	2,849	-	-	-
Total expenditures	43,251	72,514	95,883	1,250
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2005**

	<u>Baby Talk System of Support</u>	<u>Title V Innovative Programs II</u>	<u>Title II Teacher Quality II</u>	<u>Title I School Improvement</u>
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	27,091	-	-	-
Federal sources	-	8,332	13,363	14,770
Interest	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	<u>27,091</u>	<u>8,332</u>	<u>13,363</u>	<u>14,770</u>
Expenditures:				
Salaries and benefits	26,474	-	-	-
Purchased services	617	386	3,594	10,642
Supplies and materials	-	1,893	9,769	4,128
Capital outlay	-	6,053	-	-
Payments to other governments	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	<u>27,091</u>	<u>8,332</u>	<u>13,363</u>	<u>14,770</u>
Excess (deficiency) of revenues over (under) expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2005**

	System of Support State	Eliminations	Totals
Revenues:			
Local sources	\$ -	\$ -	\$ 18,598
State sources	17,656	-	5,194,219
Federal sources	-	-	1,961,767
Interest	-	-	71
	<hr/>	<hr/>	<hr/>
Total revenues	17,656	-	7,174,655
	<hr/>	<hr/>	<hr/>
Expenditures:			
Salaries and benefits	14,606	-	6,164,351
Purchased services	1,709	-	839,877
Supplies and materials	1,341	-	148,119
Capital outlay	-	-	21,891
Payments to other governments	-	-	43,516
	<hr/>	<hr/>	<hr/>
Total expenditures	17,656	-	7,217,754
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	-	-	(43,099)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers in	-	(134,970)	-
Transfers out	-	134,970	(7,771)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	(7,771)
	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	-	(50,870)
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	-	-	576,554
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	\$ -	\$ -	\$ 525,684
	<hr/>	<hr/>	<hr/>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 ADULT EDUCATION PERFORMANCE - PROJECT #537AA
 For the year ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 44,511	\$ 44,511	\$ 44,511	\$ -
Expenditures:				
Salaries and benefits	40,643	40,643	40,296	(347)
Purchased services	3,539	3,539	2,826	(713)
Supplies and materials	329	329	1,389	1,060
Total expenditures	44,511	44,511	44,511	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 ADULT EDUCATION PUBLIC ASSISTANCE - PROJECT #537AA
 For the year ended June 30, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources	<u>\$ 35,498</u>	<u>\$ 38,843</u>	<u>\$ 38,843</u>	<u>\$ -</u>
Expenditures:				
Salaries and benefits	34,901	34,901	34,568	(333)
Purchased services	497	497	333	(164)
Supplies and materials	<u>100</u>	<u>3,445</u>	<u>3,942</u>	<u>497</u>
Total expenditures	<u>35,498</u>	<u>38,843</u>	<u>38,843</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 ADULT EDUCATION STATE BASIC - PROJECT #537AA
 For the year ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 31,415	\$ 31,415	\$ 31,415	\$ -
Expenditures:				
Salaries and benefits	30,908	30,908	30,564	(344)
Purchased services	355	355	698	343
Supplies and materials	152	152	152	-
Total expenditures	31,415	31,415	31,414	(1)
Excess of revenues over expenditures	\$ -	\$ -	1	\$ 1
Fund balance, beginning of year			-	
Fund balance, end of year			\$ 1	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 ADULT EDUCATION FEDERAL BASIC - PROJECT #537AA
 For the year ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Federal sources	\$ 32,893	\$ 32,893	\$ 32,893	\$ -
Expenditures:				
Salaries and benefits	30,745	30,745	28,633	(2,112)
Purchased services	1,148	1,148	2,535	1,387
Supplies and materials	1,000	1,000	1,725	725
Total expenditures	32,893	32,893	32,893	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PLATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TRUANTS ALTERNATIVE/OPTIONAL EDUCATION - PROJECT #05-3695-00
 For the year ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 279,280	\$ 279,280	\$ 279,280	\$ -
Expenditures:				
Salaries and benefits	216,277	213,080	212,061	(1,019)
Purchased services	63,003	66,200	67,219	1,019
Total expenditures	279,280	279,280	279,280	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TITLE IV SAFE AND DRUG FREE SCHOOLS - PROJECT #05-4400-00
 For the year ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Federal sources	\$ 530	\$ 530	\$ 530	\$ -
Expenditures:				
Purchased services	530	530	530	-
Total expenditures	530	530	530	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TITLE II TEACHER QUALITY - PROJECT #05-4932-00
 For the year ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Federal sources	\$ 3,625	\$ 3,625	\$ 3,563	\$ (62)
Expenditures:				
Purchased services	2,657	1,949	1,921	(28)
Supplies and materials	-	708	708	-
Capital outlay	968	968	934	(34)
Total expenditures	3,625	3,625	3,563	(62)
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			1,764	
Fund balance, end of year			\$ 1,764	

MACON-PLATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE V INNOVATIVE PROGRAMS - PROJECT #05-4100-00
For the year ended June 30, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
Revenues:				
Federal sources	<u>\$ 769</u>	<u>\$ 769</u>	<u>\$ 769</u>	<u>\$ -</u>
Expenditures:				
Purchased services	<u>769</u>	<u>769</u>	<u>769</u>	<u>-</u>
Total expenditures	<u>769</u>	<u>769</u>	<u>769</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 REGIONAL SAFE SCHOOLS - PROJECT #05-3696-00
 For the year ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 154,986	\$ 149,949	\$ 149,949	\$ -
Federal sources	32,554	32,554	32,554	-
Total revenues	187,540	182,503	182,503	-
Expenditures:				
Salaries and benefits	149,428	144,968	144,696	(272)
Purchased services	30,633	29,383	29,520	137
Supplies and materials	7,479	8,152	8,287	135
Total expenditures	187,540	182,503	182,503	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 EARLY CHILDHOOD BLOCK GRANT - PROJECT #05-3705-51
 For the year ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 86,322	\$ 86,322	\$ 86,322	\$ -
Expenditures:				
Salaries and benefits	74,640	63,184	62,743	(441)
Purchased services	5,956	5,620	6,021	401
Supplies and materials	5,726	9,878	9,918	40
Capital outlay	-	7,640	7,640	-
Total expenditures	86,322	86,322	86,322	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 EARLY CHILDHOOD BLOCK GRANT II - PROJECT #05-3705-01
 For the year ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 302,467	\$ 302,467	\$ 302,467	\$ -
Expenditures:				
Salaries and benefits	266,376	268,477	268,610	133
Purchased services	26,335	27,324	27,334	10
Supplies and materials	8,556	5,666	5,707	41
Capital outlay	1,200	1,000	816	(184)
Total expenditures	302,467	302,467	302,467	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TITLE I READING FIRST - PROJECT #05-4337-01
 For the year ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Federal sources	\$ 150,000	\$ 159,441	\$ 120,309	\$ (39,132)
Expenditures:				
Salaries and benefits	80,756	80,756	67,038	(13,718)
Purchased services	27,577	28,975	11,296	(17,679)
Supplies and materials	1,000	9,043	1,308	(7,735)
Payments to other governments	40,667	40,667	40,667	-
Total expenditures	150,000	159,441	120,309	(39,132)
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TITLE I READING FIRST II - PROJECT #05-4337-02
 For the year ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Federal sources	\$ 29,905	\$ 40,722	\$ 30,367	\$ (10,355)
Expenditures:				
Salaries and benefits	7,567	13,218	13,217	(1)
Purchased services	1,542	2,321	2,321	-
Supplies and materials	20,796	25,183	14,829	(10,354)
Total expenditures	29,905	40,722	30,367	(10,355)
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS**

**TITLE I READING FIRST PROFESSIONAL DEVELOPMENT - PROJECT #05-4337-00
For the year ended June 30, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources	<u>\$ 25,870</u>	<u>\$ 33,983</u>	<u>\$ 21,413</u>	<u>\$ (12,570)</u>
Expenditures:				
Purchased services	21,370	21,370	13,356	(8,014)
Supplies and materials	4,500	1,413	1,609	196
Capital outlay	<u>-</u>	<u>11,200</u>	<u>6,448</u>	<u>(4,752)</u>
Total expenditures	<u>25,870</u>	<u>33,983</u>	<u>21,413</u>	<u>(12,570)</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TITLE I READING FIRST TECHNICAL ASSISTANCE - PROJECT #05-4337-04
 For the year ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Federal sources	\$ 60,000	\$ 63,168	\$ 43,251	\$ (19,917)
Expenditures:				
Salaries and benefits	22,606	24,867	24,866	(1)
Purchased services	5,988	6,004	6,004	-
Supplies and materials	10,906	11,797	9,532	(2,265)
Capital outlay	2,500	2,500	-	(2,500)
Payments to other governments	18,000	18,000	2,849	(15,151)
Total expenditures	60,000	63,168	43,251	(19,917)
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2005

	Institute	General Education Development	Film Library	Bus Permit
ASSETS				
Cash	\$ 66,420	\$ 15,562	\$ 1,835	\$ 2,046
Investments	1,202	-	-	-
Accounts receivable	-	-	-	-
Due from other governments	-	150	-	-
Total assets	\$ 67,622	\$ 15,712	\$ 1,835	\$ 2,046
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	360	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	34,320	-	-	-
Total liabilities	34,320	-	360	-
FUND BALANCES				
Unrestricted	33,302	15,712	1,475	2,046
Total liabilities and fund balances	\$ 67,622	\$ 15,712	\$ 1,835	\$ 2,046

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2005

	<u>Supervisory</u>	<u>Regional Board of Trustees</u>	<u>Junior Achievement</u>	<u>Futures Pop Fund</u>
ASSETS				
Cash	\$ 109	\$ 544	\$ 65	\$ 2,989
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	-
	<u>109</u>	<u>544</u>	<u>65</u>	<u>2,989</u>
Total assets	<u>\$ 109</u>	<u>\$ 544</u>	<u>\$ 65</u>	<u>\$ 2,989</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 30
Accrued salaries and benefits	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>
FUND BALANCES				
Unrestricted	<u>109</u>	<u>544</u>	<u>65</u>	<u>2,959</u>
Total liabilities and fund balances	<u>\$ 109</u>	<u>\$ 544</u>	<u>\$ 65</u>	<u>\$ 2,989</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING BALANCE SHEET (Continued)
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2005

	St. Mary's Hospital School	Student Council	Teachers' Exchange	Decatur Education Conference
ASSETS				
Cash	\$ 51,684	\$ 119	\$ 26,342	\$ 15,776
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Due from other governments	21,796	-	-	-
Total assets	\$ 73,480	\$ 119	\$ 26,342	\$ 15,776
LIABILITIES				
Accounts payable	\$ 220	\$ -	\$ -	\$ 1
Accrued salaries and benefits	21,026	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	23,095	-
Deferred revenue	-	-	-	-
Total liabilities	21,246	-	23,095	1
FUND BALANCES				
Unrestricted	52,234	119	3,247	15,775
Total liabilities and fund balances	\$ 73,480	\$ 119	\$ 26,342	\$ 15,776

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2005

	<u>Transition Fund</u>	<u>Baby Talk</u>	<u>Proposal for Partnership</u>	<u>Partners in Education</u>
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ 1
Investments	-	-	-	-
Accounts receivable	-	24,475	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 24,475</u>	<u>\$ -</u>	<u>\$ 1</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	2,352	-	-
Due to other funds	-	22,123	-	-
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>24,475</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 24,475</u>	<u>\$ -</u>	<u>\$ 1</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2005

	Futures Foundation	Lumpkin Family Foundation	World of Work	Power Up Teacher
ASSETS				
Cash	\$ 631	\$ -	\$ -	\$ -
Investments	-	-	-	-
Accounts receivable	23,872	-	-	-
Due from other governments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 24,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 425	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>425</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Unrestricted	<u>24,078</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 24,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2005

	Proposal for Partnership II	Department of Corrections - GED Contract	Arts in Education	Totals
ASSETS				
Cash	\$ 13,594	\$ -	\$ -	\$ 197,717
Investments	-	-	-	1,202
Accounts receivable	-	-	-	48,347
Due from other governments	-	4,740	-	26,686
Total assets	\$ 13,594	\$ 4,740	\$ -	\$ 273,952
LIABILITIES				
Accounts payable	\$ 11,754	\$ 2,002	\$ -	\$ 14,432
Accrued salaries and benefits	-	-	-	23,738
Due to other funds	-	2,687	-	24,810
Due to other governments	-	-	-	23,095
Deferred revenue	1,840	-	-	36,160
Total liabilities	13,594	4,689	-	122,235
FUND BALANCES				
Unrestricted	-	51	-	151,717
Total liabilities and fund balances	\$ 13,594	\$ 4,740	\$ -	\$ 273,952

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the year ended June 30, 2005**

	Institute	General Education Development	Film Library	Bus Permit
Revenues:				
Local sources	\$ 20,866	\$ 16,073	\$ 22,245	\$ 1,910
State sources	-	-	-	960
Federal sources	-	-	-	-
Interest	662	165	51	19
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	21,528	16,238	22,296	2,889
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Salaries and benefits	-	-	16,729	-
Purchased services	581	9,295	2,714	2,370
Supplies and materials	356	2,678	2,849	394
Capital outlay	-	1,115	-	-
Payments to other governments	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	937	13,088	22,292	2,764
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	20,591	3,150	4	125
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses):				
Transfers in	-	-	655	-
Transfers out	(17,682)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(17,682)	-	655	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	2,909	3,150	659	125
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	30,393	12,562	816	1,921
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, end of year	\$ 33,302	\$ 15,712	\$ 1,475	\$ 2,046
	<hr/>	<hr/>	<hr/>	<hr/>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 NONMAJOR SPECIAL REVENUE FUNDS
 For the year ended June 30, 2005

	Supervisory	Regional Board of Trustees	Junior Achievement	Futures Pop Fund
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ 6,214
State sources	2,000	-	-	-
Federal sources	-	-	-	-
Interest	10	-	-	-
Total revenues	2,010	-	-	6,214
Expenditures:				
Salaries and benefits	-	-	-	-
Purchased services	1,907	-	-	-
Supplies and materials	-	-	-	5,110
Capital outlay	-	-	-	-
Payments to other governments	-	-	-	-
Total expenditures	1,907	-	-	5,110
Excess (deficiency) of revenues over (under) expenditures	103	-	-	1,104
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	103	-	-	1,104
Fund balances, beginning of year	6	544	65	1,855
Fund balances, end of year	<u>\$ 109</u>	<u>\$ 544</u>	<u>\$ 65</u>	<u>\$ 2,959</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 NONMAJOR SPECIAL REVENUE FUNDS
 For the year ended June 30, 2005

	St. Mary's Hospital School	Student Council	Teachers' Exchange	Decatur Education Conference
Revenues:				
Local sources	\$ 102,420	\$ -	\$ 80,475	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	102,420	-	80,475	-
Expenditures:				
Salaries and benefits	114,937	-	-	-
Purchased services	5,766	-	79,254	4,214
Supplies and materials	269	-	28	4,807
Capital outlay	-	-	-	-
Payments to other governments	-	-	-	7,682
Total expenditures	120,972	-	79,282	16,703
Excess (deficiency) of revenues over (under) expenditures	(18,552)	-	1,193	(16,703)
Other financing sources (uses):				
Transfers in	7,301	-	-	17,682
Transfers out	-	-	-	(655)
Total other financing sources (uses)	7,301	-	-	17,027
Net change in fund balances	(11,251)	-	1,193	324
Fund balances, beginning of year	63,485	119	2,054	15,451
Fund balances, end of year	\$ 52,234	\$ 119	\$ 3,247	\$ 15,775

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
For the year ended June 30, 2005**

	Transition Fund	Baby Talk	Proposal for Partnership	Partners in Education
Revenues:				
Local sources	\$ -	\$ 156,513	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	-	156,513	-	-
Expenditures:				
Salaries and benefits	-	147,212	-	-
Purchased services	-	9,301	-	-
Supplies and materials	-	-	-	-
Capital outlay	-	-	-	-
Payments to other governments	-	-	-	-
Total expenditures	-	156,513	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(313)	-	(77)	-
Total other financing sources (uses)	(313)	-	(77)	-
Net change in fund balances	(313)	-	(77)	-
Fund balances, beginning of year	313	-	77	1
Fund balances, end of year	\$ -	\$ -	\$ -	\$ 1

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
For the year ended June 30, 2005**

	Futures Foundation	Lumpkin Family Foundation	World of Work	Power Up Teacher
Revenues:				
Local sources	\$ 2,937	\$ 6,199	\$ 2,500	\$ 250
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	2,937	6,199	2,500	250
Expenditures:				
Salaries and benefits	-	6,766	-	-
Purchased services	-	-	1,000	-
Supplies and materials	643	45	1,500	250
Capital outlay	-	-	-	-
Payments to other governments	-	-	-	-
Total expenditures	643	6,811	2,500	250
Excess (deficiency) of revenues over (under) expenditures	2,294	(612)	-	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	2,294	(612)	-	-
Fund balances, beginning of year	21,784	612	-	-
Fund balances, end of year	\$ 24,078	\$ -	\$ -	\$ -

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
For the year ended June 30, 2005**

	<u>Proposal for Partnership II</u>	<u>Department of Corrections - GED Contract</u>	<u>Arts in Education</u>
Revenues:			
Local sources	\$ -	\$ -	\$ 900
State sources	-	5,668	-
Federal sources	13,160	-	-
Interest	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	13,160	5,668	900
	<hr/>	<hr/>	<hr/>
Expenditures:			
Salaries and benefits	-	-	-
Purchased services	1,406	5,617	900
Supplies and materials	-	-	-
Capital outlay	11,754	-	-
Payments to other governments	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	13,160	5,617	900
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	-	51	-
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	51	-
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	-	-	-
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	\$ -	\$ 51	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 NONMAJOR SPECIAL REVENUE FUNDS
 For the year ended June 30, 2005

	<u>Eliminations</u>	<u>Totals</u>
Revenues:		
Local sources	\$ -	\$ 419,502
State sources	-	8,628
Federal sources	-	13,160
Interest	-	907
	<hr/>	<hr/>
Total revenues	-	442,197
	<hr/>	<hr/>
Expenditures:		
Salaries and benefits	-	285,644
Purchased services	-	124,325
Supplies and materials	-	18,929
Capital outlay	-	12,869
Payments to other governments	-	7,682
	<hr/>	<hr/>
Total expenditures	-	449,449
	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	-	(7,252)
	<hr/>	<hr/>
Other financing sources (uses):		
Transfers in	(18,337)	7,301
Transfers out	18,337	(390)
	<hr/>	<hr/>
Total other financing sources (uses)	-	6,911
	<hr/>	<hr/>
Net change in fund balances	-	(341)
	<hr/>	<hr/>
Fund balances, beginning of year	-	152,058
	<hr/>	<hr/>
Fund balances, end of year	\$ -	\$ 151,717
	<hr/> <hr/>	<hr/> <hr/>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS

June 30, 2005

	Distributive Fund	Project Success Fund	Heartland Region Fund	Totals
ASSETS				
Cash	\$ -	\$ -	\$ 4,500	\$ 4,500
Due from other governments	-	4,496	5,995	10,491
Total assets	\$ -	\$ 4,496	\$ 10,495	\$ 14,991
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 7,378	\$ 7,378
Accrued salaries and benefits	-	-	1,206	1,206
Due to other governments	-	4,496	1,911	6,407
Total liabilities	\$ -	\$ 4,496	\$ 10,495	\$ 14,991

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

For the year ended June 30, 2005

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2005</u>
<u>DISTRIBUTIVE</u>				
ASSETS				
Cash	\$ -	\$ 2,711,461	\$ 2,711,461	\$ -
LIABILITIES				
Due to other funds	\$ -	\$ 1,831,183	\$ 1,831,183	\$ -
Due to other governments	-	880,278	880,278	-
Total liabilities	\$ -	\$ 2,711,461	\$ 2,711,461	\$ -
 <u>PROJECT SUCCESS</u>				
ASSETS				
Cash	\$ -	\$ 48,396	\$ 48,396	\$ -
Due from other governments	4,396	48,496	48,396	4,496
Total assets	\$ 4,396	\$ 96,892	\$ 96,792	\$ 4,496
LIABILITIES				
Due to other governments	\$ 4,396	\$ 48,496	\$ 48,396	\$ 4,496

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS**

For the year ended June 30, 2005

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2005</u>
<u>HEARTLAND REGION</u>				
ASSETS				
Cash	\$ 18,705	\$ 946,296	\$ 960,501	\$ 4,500
Due from other governments	8,941	943,350	946,296	5,995
	<u>\$ 27,646</u>	<u>\$ 1,889,646</u>	<u>\$ 1,906,797</u>	<u>\$ 10,495</u>
LIABILITIES				
Accounts payable	\$ 24,785	\$ 873,960	\$ 891,367	\$ 7,378
Accrued salaries and benefits	846	95,021	94,661	1,206
Due to other governments	2,015	943,350	943,454	1,911
	<u>\$ 27,646</u>	<u>\$ 1,912,331</u>	<u>\$ 1,929,482</u>	<u>\$ 10,495</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$ 18,705	\$ 3,706,153	\$ 3,720,358	\$ 4,500
Due from other governments	13,337	991,846	994,692	10,491
	<u>\$ 32,042</u>	<u>\$ 4,697,999</u>	<u>\$ 4,715,050</u>	<u>\$ 14,991</u>
LIABILITIES				
Accounts payable	\$ 24,785	\$ 873,960	\$ 891,367	\$ 7,378
Accrued salaries and benefits	846	95,021	94,661	1,206
Due to other funds	-	1,831,183	1,831,183	-
Due to other governments	6,411	1,872,124	1,872,128	6,407
	<u>\$ 32,042</u>	<u>\$ 4,672,288</u>	<u>\$ 4,689,339</u>	<u>\$ 14,991</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS
AND OTHER ENTITIES
DISTRIBUTIVE FUND
For the year ended June 30, 2005**

	Heartland Region	Futures Unlimited Alternative	ROE #39	Total
General State Aid	\$ -	\$ -	\$ 637,278	\$ 637,278
Special Ed. - Personnel	-	16,400	-	16,400
Career & Technical Ed. Improvement	559,000	-	-	559,000
Agriculture Education	16,635	-	-	16,635
State Free Lunch and Breakfast	-	-	180	180
School Breakfast Incentive	-	-	39	39
ROE School Bus Driver Training	-	-	960	960
Truants Alternative/Optional Ed.	-	-	279,280	279,280
Regional Safe Schools	-	-	182,281	182,281
Early Childhood - Block Grant	-	-	365,067	365,067
ROE and ISC Operations	-	-	75,446	75,446
Supervisory	-	-	2,000	2,000
Title V - Innovative Program-Formula	-	-	769	769
National School Lunch Program	-	-	3,089	3,089
School Breakfast Program	-	-	693	693
Title I - Reading First Part B SEA Funds	-	-	258,675	258,675
Title IV - Safe and Drug Free Schools-Formula	-	-	530	530
Title IV - Community Service	-	-	4,871	4,871
V.E. - Perkins - Title IIC - Secondary	304,643	-	-	304,643
Title II - Teacher Quality	-	-	3,625	3,625
TOTAL	\$ 880,278	\$ 16,400	\$ 1,814,783	\$ 2,711,461

FEDERAL FINANCIAL COMPLIANCE SECTION

MACON-PLATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2005**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Project # (1st 8 digits) or Contract #	Federal Expenditures 7/1/04 - 6/30/05
U.S. Department of Education			
<i>Passed through the Illinois State Board of Education:</i>			
Title V - Innovative Program-Formula	84.298A	05-4100-00	\$ 769
Title IV - Safe & Drug Free Schools-Formula	84.186A	05-4400-00	530
Title II - Teacher Quality	84.367A	05-4932-00	3,563
Title I - Reading First Part B SEA Funds	84.357A	05-4337-01	120,309
Title I - Reading First Part B SEA Funds	84.357A	05-4337-02	30,367
Title I - Reading First Part B SEA Funds	84.357A	05-4337-00	21,413
Title I - Reading First Part B SEA Funds	84.357A	05-4337-04	43,251
Total Title I - Reading First Part B SEA Funds			215,340
Total Illinois State Board of Education			220,202
<i>Passed through Illinois State Board of Education passed through Richland Community College Dist. #537:</i>			
Even Start	84.213	05-4335-00	100,942
Total Richland Community College Dist. #537			100,942
<i>Passed through Illinois State Board of Education passed through Illinois Community College Board:</i>			
Adult Education and Family Literacy (Federal Basic)	84.002A	537 AA	32,893
Total Illinois Community College Board			32,893
<i>Passed through Illinois State Board of Education passed through Regional Office of Education #32:</i>			
SOS Grant - Title I School Improvement	84.010A	05-4331-00	70,962
Title I School Improvement	84.010A	05-4331-00	14,770
Total			85,732
Paraprofessional Test Preparation Initiative	84.367A	05-4935-00	1,250
Title II - Teacher Quality	84.367A	05-4935-00	13,363
Total			14,613
Title V - Innovative Program-Formula	84.298A	05-4105-00	8,332
Total Regional Office of Education #32			108,677
<i>Passed through Illinois State Board of Education passed through Special Ed. Agency - Department of Corrections:</i>			
(m) Federal - Special Education - IDEA Flow Through	84.027A	05-4620-00	1,245,084
(m) Federal - Special Education - IDEA Discretionary	84.027A	05-4630-00	33,000
Total Special Ed. Agency - Department of Corrections			1,278,084
(m) - Audited as a major program			

The accompanying notes are an integral part of this schedule.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For the year ended June 30, 2005**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Project # (1st 8 digits) or Contract #	Federal Expenditures 7/1/04 - 6/30/05
U.S. Department of Education (Continued)			
<i>Passed through Illinois State Board of Education passed through Regional Office of Education #9:</i>			
Proposal for Partnering	84.318X	05-4972-00	<u>13,160</u>
Total Regional Office of Education #9			<u>13,160</u>
<i>Passed through Illinois State Board of Education passed through Department of Corrections School Dist. #428:</i>			
Federal - Special Education - IDEA Improvement	84.323A	05-4631-00	<u>30,000</u>
Total Department of Corrections School Dist #428			<u>30,000</u>
Total U.S. Department of Education			<u>1,783,958</u>
U.S. Department of Agriculture			
<i>Passed through Illinois State Board of Education:</i>			
National School Lunch Program	10.555	04-4210-00	472
National School Lunch Program	10.555	05-4210-00	<u>2,617</u>
Total National School Lunch Program			<u>3,089</u>
School Breakfast Program	10.553	04-4220-00	121
School Breakfast Program	10.553	05-4220-00	<u>572</u>
Total School Breakfast Program			<u>693</u>
Total Illinois State Board of Education			<u>3,782</u>
Total U.S. Dept. of Agriculture			<u>3,782</u>
U.S. Department of Labor			
<i>Passed through Macon County Workforce Investment Solutions:</i>			
WIA - Teen GED Academy	17.252	MPROE-04-1	51,896
WIA - Futures Unlimited	17.252	MPROE-04-2	<u>81,028</u>
Total Macon County Workforce Investment Solutions			<u>132,924</u>
Total U.S. Dept. of Labor			<u>132,924</u>
U.S. Department of Health and Human Services			
<i>Passed through Illinois State Board of Education:</i>			
Regional Safe Schools - (TANF)	93.558	05-3696-00	32,554
Safe Schools State Aid - (TANF)	93.558	05-3001-93	<u>21,709</u>
Total Illinois State Board of Education			<u>54,263</u>
Total U.S. Department of Health and Human Services			<u>54,263</u>
TOTAL			<u><u>\$ 1,974,927</u></u>

(m) - Audited as a major program

The accompanying notes are an integral part of this schedule.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2005

1. **BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Regional Office of Education #39 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. **SUBRECIPIENTS**

Of the federal expenditures presented in the schedule, the Regional Office of Education #39 provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Title I - Reading First Part B SEA Funds	84.357A	<u>\$ 2,849</u>
Title I - Reading First Part B SEA Funds	84.357A	<u>\$ 40,667</u>

3. **DESCRIPTION OF MAJOR FEDERAL PROGRAMS**

Federal – Special Education – IDEA Flow Through – To account for monies received from federal funds to be used to implement special education programs for School District #428 of the Department of Corrections.

Federal – Special Education – IDEA Discretionary – To account for monies received from federal funds to be used to implement special education programs for School District #428 of the Department of Corrections.

4. **NON-CASH ASSISTANCE**

This note is not applicable to Regional Office of Education #39.

5. **AMOUNT OF INSURANCE**

The note is not applicable to Regional Office of Education #39.

6. **LOANS OR LOAN GUARANTEES OUTSTANDING**

The note is not applicable to Regional Office of Education #39.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For the year ended June 30, 2005**

7. BACKGROUND INFORMATION ON ICCB FEDERAL GRANT ACTIVITY

Federal Basic: Grant awarded to Adult Education and Family Literacy providers to assist adults in becoming literate and obtain the knowledge and skills necessary for employment and self-sufficiency; to assist adults who are parents in obtaining the educational skills necessary to become full partners in the educational development of their children; and to assist adults in completing a secondary school education.