

**State of Illinois
MACON/PIATT COUNTIES
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, 2010**

**Performed as Special Assistant Auditors
For the Office of the Auditor General**

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 TABLE OF CONTENTS
 JUNE 30, 2010

TABLE OF CONTENTS

	<u>PAGE</u>
Agency Officials	1
Compliance Report Summary	2-3
Financial Statement Report Summary	4
 FINANCIAL SECTION	
Independent Auditor’s Report	5-6
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing</i> <i>Standards</i>	7-8
Independent Auditor’s Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	9-10
Schedule of Findings and Questioned Costs	
Section I - Summary of Auditor’s Results.....	11
Section II - Financial Statement Findings.....	12a-12g
Section III - Findings and Questioned Cost for Federal Awards.....	13
Corrective Action Plan for Current Year Audit Findings.....	14a-14c
Summary Schedule of Prior Audit Findings.....	15
Management’s Discussion and Analysis	16a-16f
 BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Assets.....	17
Statement of Activities	18
 Fund Financial Statements	
Balance Sheet - Governmental Funds.....	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	20

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 TABLE OF CONTENTS
 JUNE 30, 2010

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Funds.....	22
Statement of Net Assets – Proprietary Fund.....	23
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Fund.....	24
Statement of Cash Flows – Proprietary Fund.....	25
Statement of Fiduciary Net Assets – Fiduciary Fund	26
Notes to the Financial Statements	27-52
 REQUIRED SUPPLEMENTARY INFORMATION	
Illinois Municipal Retirement Fund Schedule of Funding Progress	53
 OTHER SUPPLEMENTAL INFORMATION	
Combining Schedule of Accounts General Fund	54
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund Accounts	55
Budgetary Comparison Schedule General Fund ROE/ISC Operations	56
Combining Schedule of Accounts Education Fund.....	57-62
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Education Fund Accounts.....	63-68
Budgetary Comparison Schedules Education Fund	
Adult Education Performance	69
Adult Education Public Assistance	70
Adult Education State Basic.....	71
Adult Education Federal Basic	72
WIS-Year Round Youth Program I.....	73

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
TABLE OF CONTENTS
JUNE 30, 2010

Truants Alternative/Optional Education.....	74
Title III English Language Learner.....	75
Gifted Program	76
Title IV Safe and Drug Free Schools.....	77
Title II Teacher Quality	78
Regional Safe Schools	79
Early Childhood Block Grant.....	80
Title I Reading First Part B SEA	81
Regional System of Support Provider (RESPRO)	82
Title II Teacher Quality II.....	83
Early Childhood Block Grant II.....	84
Early Childhood Block Grant-Continuing Three to Five	85
Preschool for All.....	86
Homeless Children Youth Program.....	87
Combining Balance Sheet	
Non-major Special Revenue Funds	88-91
Combining Statement of Revenues, Expenditures and Changes in	
Fund Balances – Non-major Special Revenue Funds.....	92-95
Combining Statement of Fiduciary Net Assets	
Agency Funds	96
Combining Statement of Changes in Assets and Liabilities	
Agency Funds	97
Schedule of Disbursements to School District Treasurers and	
Other Entities – Distributive Fund	98
FEDERAL COMPLIANCE SECTION	
Schedule of Expenditures of Federal Awards	99
Notes to the Schedule of Expenditures of Federal Awards	100

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
JUNE 30, 2010

OFFICIALS

Regional Superintendent
(Current and During the Audit Period)

Mr. Matthew Snyder

Assistant Regional Superintendent
(Current, Acting Effective July 1, 2010)

Mr. Matt Andrews

Assistant Regional Superintendent
(During the Audit Period, Acting Effective
July 1, 2009 through December 15, 2009)

Mr. Dick Shelby

Assistant Regional Superintendent
(During the Audit Period, Acting Effective
January 1, 2010 through June 15, 2010)

Mr. Chuck Shonkwiler

Office is located at:

1690 Huston Dr.
Decatur, IL 62526

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 JUNE 30, 2010

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	3	0
Repeated audit findings	0	0
Prior recommendations implemented Or not repeated	0	0

Details of audit findings are presented in a separate report section.

An additional 4 matters which are less than significant deficiencies or material weaknesses but more than inconsequential have been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, these issues may have been included as immaterial findings in the auditors' reports.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>FINDINGS (GOVERNMENT AUDITING STANDARDS)</i>			
10-01	12a	Departure from Generally Accepted Accounting Principles	Material Weakness
10-02	12c	Controls Over Financial Statement Presentation	Material Weakness
10-03	12e	Improper Recording of Reimbursements and Administrative Fees Between Programs	Material Weakness

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

NONE

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

NONE

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
JUNE 30, 2010

COMPLIANCE REPORT SUMMARY (Concluded)

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

NONE

EXIT CONFERENCE

The findings and recommendation appearing in this report was discussed with Agency personnel at an informal exit conference on October 1, 2010. Attending were Matt Snyder, Regional Superintendent, Ann Neal, Director of Business Operations, and Tami Knight, Partner, Kemper CPA Group, LLP. Response to the recommendation was provided by Matt Snyder, Regional Superintendent on April 12, 2011.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
JUNE 30, 2010

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 Kemper CPA Group LLP, Certified Public Accountants and Consultants.

Based on their audit, the auditors expressed a qualified opinion on the Regional Office of Education #39's basic financial statements.



INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #39, as of and for the year ended June 30, 2010, 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 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.

The Regional Office of Education #39 did not recognize and disclose postemployment benefits other than pensions (OPEB) as required by Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in their financial statements. In our opinion, disclosure of that information is required to conform with accounting principles generally accepted in the United States of America. The effects of this departure from United States generally accepted accounting principles on the Statement of Net Assets and Statement of Activities of the Regional Office of Education #39 is not reasonably determinable.

The Regional Office records their administrative costs as a purchased service in a special revenue fund and also as salaries, benefits, and supplies costs in their general fund. In addition, the Regional Office records grant receipts as state or federal revenue in the special revenue fund and then again as local revenue when it is moved from the special revenue fund to the general fund to reimburse administrative costs. Such revenues and expenditures should be recorded only once in the Regional Office's financial statements to conform with accounting principles generally accepted in the United States of America. If those revenues and expenditures had been recorded in conformity with United States generally accepted accounting principles, the local revenue and purchased services would each decrease by \$155,284 in the Statement of Activities.

In our opinion, except for the effects of the departures from accounting principles generally accepted in the United States of America described in the preceding paragraphs, 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 Regional Office of Education #39, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 20, 2011 on our consideration of the 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 16a through 16f and 53 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Kemper CPA Group LLP

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
May 20, 2011

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #39, as of and for the year ended June 30, 2010, which collectively comprise the Regional Office of Education #39's basic financial statements and have issued our report thereon dated May 20, 2011. The report on the governmental activities in the Statement of Activities and the General and Education major funds was qualified for incorrectly accounting for certain grant receipts and disbursements. Except as discussed in the preceding sentence, 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 Regional Office of Education #39's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Regional Office of Education #39's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #39's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in findings 10-01, 10-02, and 10-03 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

We also noted certain matters which we have reported to management of the Regional Office of Education #39 in a separate letter dated May 20, 2011.

The Regional Office of Education #39's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Regional Office of Education #39's responses and, accordingly, we express no opinion on them.

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

Kemper CPA Group LLP

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
May 20, 2011

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 Regional Office of Education #39's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Regional Office of Education #39's major federal programs for the year ended June 30, 2010. The 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 Regional Office of Education #39's management. Our responsibility is to express an opinion on the 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 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 of the Regional Office of Education #39's compliance with those requirements.

In our opinion, the Regional Office of Education #39 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the 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 Regional Office of Education #39's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #39's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

Kemper CPA Group LLP

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
May 20, 2011

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 JUNE 30, 2010

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? No
- Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? No

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

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

Identification of **major** programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.397 & 84.394	State Fiscal Stabilization Fund (SFSF) Cluster

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

Auditee qualified as a low-risk auditee? Yes

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 10-01 – Departure from Generally Accepted Accounting Principle

Criteria/Specific Requirement:

The Illinois Administrative Code (74 Ill. Adm. Code 420.320 (c) (1) and (2)) requires that each Regional Office of Education maintain the accounting records necessary to prepare financial statements in accordance with generally accepted accounting principles (GAAP).

Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (OPEB), requires that employers recognize and disclose OPEB expense. Net OPEB obligations, if any, should be reported as liabilities (or assets if overfunded) in the financial statements. For financial reporting purposes, an actuarial valuation is required to measure and disclose the annual OPEB cost. In certain circumstances, an alternative measurement method can be applied instead of obtaining an actuarial valuation.

Condition:

The Regional Office of Education #39 participates in a defined benefit OPEB plan that provides postemployment benefits other than pensions to its employees in exchange for employee services rendered. Under accrual accounting, the cost of OPEB, and any related OPEB liability, should generally be recorded in the period when the exchange for the employees' services occurs, rather than when the benefits are paid. Currently, the Regional Office of Education #39's OPEB plan is financed on a pay-as-you-go basis, and as such, the financial statements do not report the financial effects of OPEB until the promised benefits are paid. During fiscal year 2010, the Regional Office of Education #39 had 14 active employees and contributions to the OPEB plan totaled \$77,629. The Regional Office of Education #39 did not obtain an actuarial valuation of its postemployment benefits other than pension liability, or apply the alternative measurement method in order to be in compliance with GASB Statement No. 45.

In the absence of the actuarial valuation, or the application of the alternative measurement method, the auditors could not reasonably determine the amount by which this departure would affect the liabilities, fund balances, and expenditures of Regional Office of Education #39 as of June 30, 2010.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

**Finding No. 10-01 – Departure from Generally Accepted Accounting Principle
(Concluded)**

Effect:

Failure to apply the accounting and reporting requirements of GASB Statement No. 45 could result in misstatements of the Regional Office of Education #39's financial statements. This could also result in inaccurate and incomplete disclosure of the OPEB plan description, the funding policy, and the annual OPEB and net OPEB obligation.

Cause:

According to Regional Office management, noncompliance with GASB Statement No. 45 was due to budget restraints and the overall complexity of the pronouncement.

Auditors' Recommendation:

We recommend the Regional Office of Education #39 obtain or perform an actuarial valuation of its other postemployment benefit liability to be in compliance with GASB Statement No. 45 and include all disclosures required by the Statement in its financial statements.

Management's Response:

The Macon/Piatt Regional Office of Education agrees with the finding and will have the GASB 45 available for next year's audit.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 10-02 – Controls Over Financial Statement Preparation

Criteria/specific requirement:

The Regional Office of Education #39 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The Regional Office's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Regional Office of Education #39 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting during the year and records accruals at year end. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. While the Regional Office did maintain records to indicate the balances of accounts payable and accounts receivable, not all material accruals were identified. For example, auditors, in their review of the Regional Office's accounting records, noted the following items that required material adjustments:

- The Regional Office expensed in fiscal year 2010 the total cost of \$5,311 for 4 maintenance contracts with service terms of 3 years.
- The Regional Office expensed in fiscal year 2010 a prepayment, in the amount of \$17,068, for the Regional Office's fiscal year 2011 package and umbrella insurance.
- The Regional Office did not identify as accounts receivable two payments, in the amounts of \$16,105 and \$3,559, received after June 30, 2010 from Macon and Piatt counties, respectively, for June 2010 expenses.
- The Regional Office identified a check, in the amount of \$17,099, received on June 30, 2010 as an account receivable instead of cash on hand.

Effect:

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

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 10-02 – Controls Over Financial Statement Preparation (Concluded)

Cause:

The internal controls over the Regional Offices reporting were not sufficient to detect all reporting requirements.

Auditor's Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #39 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate.

Management's Response:

The Macon/Piatt Regional Office of Education does have sufficient internal controls over the financial reporting process. We will make note of these minor infractions for the next audit.

Auditor's Comment:

The Regional Office of Education #39 asserts that the Regional Office's internal controls over their financial reporting process are sufficient, however, there were four material items noted during the audit that were not detected by their internal control system.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 10-03 – Improper Recording of Reimbursements and Administrative Fees Between Programs

Criteria/Specific Requirement:

23 Illinois Administrative Code (IAC), Part 100, *Requirement for Accounting, Budgeting, Financial Reporting, and Auditing* and the Illinois Program Accounting Manual for Local Education Agencies (LEA) states that purchased services are “amounts paid for personal services rendered by personnel who are not on the payroll of the LEA...”. The Regional Office of Education (ROE) Accounting Manual states that purchased services are “amounts paid for personal services rendered by personnel who are not on the payroll of the ROE...” In addition, generally accepted accounting principles require revenues and expenditures to only be recognized once in an entity’s financial statements.

Condition:

- A. We noted two instances where the Regional Office recorded refunds in the amount of \$23,076 from worker’s compensation insurance as local revenue instead of offsetting the original expenditure.
- B. In budgets submitted to grantors, the Regional Office classified their internal administrative salaries, benefits, purchased services, and supplies, related to the administration of their grant programs, as purchased services, instead of salaries, benefits, purchased services, and supplies.
- C. The Regional Office accounts for their administrative costs in the Business Office fund. When the amount budgeted as a purchased service in the grant program is expended, it is recorded as local revenue in the Business Office fund to reimburse the Business Office fund for the expenses and as a purchased service expenditure in the grant program. This results in the same revenue and related expenditures being reported twice in the grant fund and in Business Office fund.

Effect:

- A. Local revenue and purchased services were overstated by \$23,076.
- B. The Regional Office is submitting budgets and expenditure reports to grantors utilizing an incorrect object code for their internal administrative cost.
- C. The local revenue and purchased services are overstated by \$155,284 because the Regional Office’s administrative costs are reported once in the grant programs as a purchased service and then again in the Business Office fund as salaries, benefits, purchased services, and supplies. Also, the revenue is reported as state sources in the grant programs and local revenue in the Business Office fund.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS (Concluded)

Finding No. 10-03 – Improper Recording of Reimbursements and Administrative Fees Between Programs (Concluded)

Cause:

- A. The Regional Office was not aware of the proper reporting of refunds from vendors for previous expenditures.
- B. The Regional Office was not aware of the correct object code(s) to be utilized when budgeting and reporting their internal administrative cost to grantors.
- C. The Regional Office budgets and accounts for their internal administrative costs in their grant programs and funds as purchased services instead of salaries, benefits, purchased services, and supplies and is also utilizing an administrative fund titled Business Office to record these transactions twice.

Recommendation:

- A. When the Regional Office receives a refund from a vendor, the refund should be recorded as a reduction of the original expenditure.
- B. When preparing budgets for grant applications the Regional Office should utilize the object code that is appropriate for the type of administrative cost the Regional Office is requesting reimbursement.
- C. The Regional Office should charge the internal administrative cost directly to the grant programs or funds based on the appropriate object code, which would eliminate the need to move the funding to the Business Office fund, as well as, eliminate the double reporting of the internal administrative cost and revenues.

Management's Response:

The Macon/Piatt Regional Office of Education disagrees with this finding. We have never had an issue in how business costs have been charged to the programs with auditors in the past. You are assuming business costs are salaries, benefits, and supplies and materials. The ROE includes those expenses as well as: Liability insurance, errors and omissions insurance, maintenance on the AS400 system (payroll, purchasing and payables), bank fees, legal fees, professional development and travel for office personnel, telephone, fax and consultant for AS400 equipment. These expenses are not charged off individually to any of the programs, but are combined in the total business costs. Business costs are submitted with the grants that allow the expense and are approved by either ISBE or ICCB. Because they are approved, the ROE will continue the process it has in place.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2010

Auditor's Comment:

The auditors do not disagree with the Regional Office as to what expenses comprise business costs. What the auditors do take issue with is the Regional Office's incorrect reporting of such expenses. The "purchased services" expense classification should be used for services purchased by the Regional Office, not for internal administrative expenses. Furthermore, the ROE's current practices result in double counting of expenses, which distorts the true financial activity and position of the Regional Office, as well as results in noncompliance with generally accepted accounting principles.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

INSTANCES OF NONCOMPLIANCE:

NONE

SIGNIFICANT DEFICIENCIES:

NONE

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

CORRECTIVE ACTION PLAN

Finding No. 10-01 – Departure from Generally Accepted Accounting Principle

Condition:

The Regional Office of Education #39 participates in a defined benefit OPEB plan that provides postemployment benefits other than pensions to its employees in exchange for employee services rendered. Under accrual accounting, the cost of OPEB, and any related OPEB liability, should generally be recorded in the period when the exchange for the employees' services occurs, rather than when the benefits are paid. Currently, the Regional Office of Education #39's OPEB plan is financed on a pay-as-you-go basis, and as such, the financial statements do not report the financial effects of OPEB until the promised benefits are paid. During fiscal year 2010, the Regional Office of Education #39 had 14 active employees and contributions to the OPEB plan totaled \$77,629. The Regional Office of Education #39 did not obtain an actuarial valuation of its postemployment benefits other than pension liability, or apply the alternative measurement method in order to be in compliance with GASB Statement No. 45.

In the absence of the actuarial valuation, or the application of the alternative measurement method, the auditors could not reasonably determine the amount by which this departure would affect the liabilities, fund balances, and expenditures of Regional Office of Education #39 as of June 30, 2010.

Plan:

The Regional Office of Education #39 will obtain or perform an actuarial valuation of its other postemployment benefit liability to be in compliance with GASB Statement No. 45 and include all disclosures required by the Statement in its financial statements.

Anticipated Date of Completion:

June 30, 2011

Contact Person Responsible for Corrective Action:

Mr. Matthew Snyder, Regional Superintendent

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

CORRECTIVE ACTION PLAN (Continued)

Finding No. 10-02 – Departure from Generally Accepted Accounting Principle

Condition:

The Regional Office of Education #39 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting during the year and records accruals at year end. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. While the Regional Office did maintain records to indicate the balances of accounts payable and accounts receivable, not all material accruals were identified. For example, auditors, in their review of the Regional Office's accounting records, noted the following items that required material adjustments:

- The Regional Office expensed in fiscal year 2010 the total cost of \$5,311 for 4 maintenance contracts with service terms of 3 years.
- The Regional Office expensed in fiscal year 2010 a prepayment, in the amount of \$17,068, for the Regional Office's fiscal year 2011 package and umbrella insurance.
- The Regional Office did not identify as accounts receivable two payments, in the amounts of \$16,105 and \$3,559, received after June 30, 2010 from Macon and Piatt counties, respectively, for June 2010 expenses.
- The Regional Office identified a check, in the amount of \$17,099, received on June 30, 2010 as an account receivable instead of cash on hand.

Plan:

While the Regional Office does not concur with the condition detailed in the finding, the Regional Office has taken note of the infractions and will work to ensure that these adjustments are detected in the current year.

Anticipated Date of Completion:

June 30, 2011

Contact Person Responsible for Corrective Action:

Mr. Matthew Snyder, Regional Superintendent

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

CORRECTIVE ACTION PLAN (Concluded)

Finding No. 10-03 – Improper Recording of Reimbursements and Administrative Fees Between Programs

Condition:

- A. We noted two instances where the Regional Office recorded refunds in the amount of \$23,076 from worker's compensation insurance as local revenue instead of offsetting the original expenditure.
- B. In budgets submitted to grantors, the Regional Office classified their internal administrative salaries, benefits, purchased services, and supplies, related to the administration of their grant programs, as purchased services, instead of salaries, benefits, purchased services, and supplies.
- C. The Regional Office accounts for their administrative costs in the Business Office fund. When the amount budgeted as a purchased service in the grant program is expended, it is recorded as local revenue in the Business Office fund to reimburse the Business Office fund for the expenses and as a purchased service expenditure in the grant program. This results in the same revenue and related expenditures being reported twice in the grant fund and in Business Office fund.

Plan:

The Regional Office of Education #39 does not concur with the finding and provided the following response:

The Macon/Piatt Regional Office of Education disagrees with this finding. We have never had an issue in how business costs have been charged to the programs with auditors in the past. You are assuming business costs are salaries, benefits, and supplies and materials. The ROE includes those expenses as well as: Liability insurance, errors and omissions insurance, maintenance on the AS400 system (payroll, purchasing and payables), bank fees, legal fees, professional development and travel for office personnel, telephone, fax and consultant for AS400 equipment. These expenses are not charged off individually to any of the programs, but are combined in the total business costs. Business costs are submitted with the grants that allow the expense and are approved by either ISBE or ICCB. Because they are approved, the ROE will continue the process it has in place.

Anticipated Date of Completion:

Not Applicable

Contact Person Responsible for Corrective Action:

Mr. Matthew Snyder, Regional Superintendent

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2010

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
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No findings were noted in the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

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, 2010. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements which follows.

2010 Financial Highlights

- Within the Governmental Funds, the Education Fund and Non-Major Special Revenue Funds revenue decreased by \$3,451,689 from \$6,757,039 in FY09 to \$3,305,350 in FY10. The Special Revenue Fund expenditures decreased by \$2,965,537 from \$6,493,544 in FY09 to \$3,528,007 in FY10. The Regional Office did not have the Special Education for Department of Corrections grant in FY10 which accounted for \$2,362,110 and \$631,519 in State and federal revenue, respectively, along with the subsequent decrease in related expenditures. In addition, many recurring State and federal grants were cut significantly in FY10.
- Within the Governmental Funds, the General Fund revenues decreased by \$389,883 from \$1,437,027 in fiscal year 2009 to \$1,047,144 in FY10. General Fund expenditures decreased by \$284,516 from \$1,381,526 in FY09 to \$1,097,010 in FY10. Because of the Regional Office did not have the Special Education for Department of Corrections grant the overall salary cost to the Regional Office decreased \$2,800,000, which decreased the State TRS on-behalf payment by \$138,000 in FY10.
- Within the Proprietary Funds, revenues decreased by \$19,664 from \$30,290 in FY09 to \$10,626 in FY10. Expenditures decreased \$9,491 from \$24,345 in FY09 to \$14,854 in FY10. The Regional Office used the Institute Fund to pay for several workshops during FY10. This resulted in less money being collected by the Regional Office for this fund.

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.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

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.

Fund Financial Statements

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.

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2010

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 FY10 totaled \$2,765,427. The analysis that follows provides a summary of the Office's net assets at June 30, 2010 and 2009.

CONDENSED STATEMENT OF NET ASSETS
June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current Assets	\$2,922,441	\$2,645,041	\$10,711	\$13,787	\$2,933,152	\$2,658,828
Noncurrent, net	104,466	69,917	2,267	2,893	106,733	72,810
Total Assets	<u>3,026,907</u>	<u>2,714,958</u>	<u>12,978</u>	<u>16,680</u>	<u>3,039,885</u>	<u>2,731,638</u>
Current Liabilities	263,978	210,649	2,799	2,273	266,777	212,922
Long-Term Liabilities	7,681	10,481	-	-	7,681	10,481
Total Liabilities	<u>271,659</u>	<u>221,130</u>	<u>2,799</u>	<u>2,273</u>	<u>274,458</u>	<u>223,403</u>
Net Assets:						
Invested in Capital Assets	104,466	69,917	2,267	2,893	106,733	72,810
Restricted for Teacher						
Professional Development	100,392	72,857	-	-	100,392	72,857
Unrestricted	2,550,390	2,351,054	7,912	11,514	2,558,302	2,362,568
Total Net Assets	<u>\$2,755,248</u>	<u>\$2,493,828</u>	<u>\$10,179</u>	<u>\$14,407</u>	<u>\$2,765,427</u>	<u>\$2,508,235</u>

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

The following analysis shows the changes in net assets for the years ended June 30, 2010 and 2009.

CHANGES IN NET ASSETS
For the Years Ended June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 10,626	\$ 30,290	\$ 10,626	\$ 30,290
Operating grants & contributions	1,274,521	6,090,444	-	-	1,274,521	6,090,444
General revenues:						
Local sources	1,152,754	1,371,716	-	-	1,152,754	1,371,716
State sources	1,635,816	-	-	-	1,635,816	-
Federal sources	185,039	-	-	-	185,039	-
On-behalf payments - state	574,480	712,639	-	-	574,480	712,639
Interest	4,099	19,267	-	-	4,099	19,267
Total revenues	<u>4,826,709</u>	<u>8,194,066</u>	<u>10,626</u>	<u>30,290</u>	<u>4,837,335</u>	<u>8,224,356</u>
Expenses:						
Program expenses:						
Instructional services:						
Salaries & benefits	2,614,353	5,340,489	-	-	2,614,353	5,340,489
Purchased services	1,149,030	1,458,259	-	-	1,149,030	1,458,259
Supplies & materials	196,463	183,436	-	-	196,463	183,436
Other objects	2,745	696	-	-	2,745	696
Depreciation	28,218	47,315	-	-	28,218	47,315
expenses:						
On-behalf payments - state	574,480	712,639	-	-	574,480	712,639
Business-type expenses	-	-	14,854	24,345	14,854	24,345
Total expenses	<u>4,565,289</u>	<u>7,742,834</u>	<u>14,854</u>	<u>24,345</u>	<u>4,580,143</u>	<u>7,767,179</u>
Change in net assets	261,420	451,232	(4,228)	5,945	257,192	457,177
Net assets, beginning of year	2,493,828	2,042,596	14,407	8,462	2,508,235	2,051,058
Net assets, end of year	<u>\$ 2,755,248</u>	<u>\$ 2,493,828</u>	<u>\$ 10,179</u>	<u>\$ 14,407</u>	<u>\$ 2,765,427</u>	<u>\$ 2,508,235</u>

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

Governmental Activities

Revenues for governmental activities were \$4,826,709 and expenses were \$4,565,289. The Regional Office of Education #39 experienced a decrease in governmental activities' net assets of \$261,420. This decrease was the result of losing a Department of Corrections grant that funded the Special Education for Department of Corrections program.

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 \$2,165,968 for FY10, a decrease of \$268,424 from the FY09 fund balance of \$2,434,392.

Governmental Fund Highlights:

- County support for the Regional Office of Education #39 remained at FY09 levels in FY10.
- The State aid foundation level remained at \$6,119 for FY10. This helped mitigate the reduction of grant dollars provided for the Futures Unlimited Program, the Adult Education Program, and the Regional Safe School.
- The loss of the aforementioned grant funding along with the loss of the Department Corrections grant resulted in a decrease in net assets.

Proprietary Fund Highlights:

- In FY10, the Regional Office offered 35 administrator and teacher workshops. However, the Regional Office used the Institute Fund to pay for several of these workshops. This resulted in less money being collected by the Regional Office for this fund.

Budgetary Highlights

The Regional Office of Education #39 annually adopts budgets for several funds. Although certain programs have budgets that are required to be reported to the Illinois State Board of Education, none of the Office's budgets are formal or required to be legally adopted. 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. 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 are included in the supplementary information of this report.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

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 #39 maintains an inventory of capital assets which have been accumulated over time. Governmental and Business-Type Activities net capital assets were \$104,466 and \$2,267, respectively, for FY10 and \$69,917 and \$2,893, respectively, for FY09. The majority of the increase in net capital assets is due to the purchase of computers and related equipment in the business office during FY10. In addition, the Regional Office of Education #39 has adopted a depreciation schedule which reflects the level of 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 interest rate on investments continues to increase very slightly and will impact interest earned.
- Grant funding will decrease for ISBE-RSSP, Truants Alternative/Optional Education, School Services, and Early Childhood.
- County funding for FY10 will decrease 5% from the FY09 level.
- Slow receipt of monies from the State due to the State's budget issues and backlogs.
- The Regional Office of Education #39 will be the fiscal agent for School Improvement 1003(g) grants to the DePue and Egyptian school districts through the Illinois State Board of Education.
- The Regional Office of Education #39 will receive a one-time ARRA School Improvement grant.
- The Regional Office of Education #39 will receive ARRA Education Jobs Fund money in addition to general State aid for the Futures Unlimited and Adult Education programs.
- In FY10, the Regional Office offered 35 administrator and teacher workshops. As of July 1, 2010, the Regional Office anticipates having at least 35 workshops in FY11.

Contacting the Regional Office's Financial Management

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

BASIC FINANCIAL STATEMENTS

MACON/PLATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,522,459	\$ 10,711	\$ 1,533,170
Due from other governments:			
Local	502,885	-	502,885
State	742,959	-	742,959
Federal	76,249	-	76,249
Prepaid expenses	22,379	-	22,379
Accounts receivable	55,510	-	55,510
Total current assets	<u>2,922,441</u>	<u>10,711</u>	<u>2,933,152</u>
Noncurrent assets:			
Capital assets, being depreciated, net	104,466	2,267	106,733
Total noncurrent assets	<u>104,466</u>	<u>2,267</u>	<u>106,733</u>
TOTAL ASSETS	<u>3,026,907</u>	<u>12,978</u>	<u>3,039,885</u>
LIABILITIES			
Current liabilities:			
Accounts payable	251,945	2,799	254,744
Deferred revenue	12,033	-	12,033
Total current liabilities	<u>263,978</u>	<u>2,799</u>	<u>266,777</u>
Noncurrent liabilities:			
Liability for compensated absences	7,681	-	7,681
TOTAL LIABILITIES	<u>271,659</u>	<u>2,799</u>	<u>274,458</u>
NET ASSETS			
Invested in capital assets	104,466	2,267	106,733
Restricted for teacher professional development	100,392	-	100,392
Unrestricted	2,550,390	7,912	2,558,302
TOTAL NET ASSETS	<u>\$ 2,755,248</u>	<u>\$ 10,179</u>	<u>\$ 2,765,427</u>

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, 2010

FUNCTIONS/PROGRAMS	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Primary Government:						
Governmental Activities:						
Instructional Services						
Salaries and benefits	\$ 2,614,353	\$ -	\$ 907,965	\$ (1,706,388)	\$ -	\$ (1,706,388)
Purchased services	1,149,030	-	241,363	(907,667)	-	(907,667)
Supplies and materials	196,463	-	62,426	(134,037)	-	(134,037)
Other objects	2,745	-	-	(2,745)	-	(2,745)
Depreciation expense	28,218	-	-	(28,218)	-	(28,218)
Capital outlay	-	-	62,767	62,767	-	62,767
Administrative:						
On-behalf payments - State	574,480	-	-	(574,480)	-	(574,480)
Total Governmental Activities	4,565,289	-	1,274,521	(3,290,768)	-	(3,290,768)
Business-Type Activities:						
Workshop fees	14,854	10,626	-	-	(4,228)	(4,228)
Total Business-Type Activities	14,854	10,626	-	-	(4,228)	(4,228)
TOTAL PRIMARY GOVERNMENT	\$ 4,580,143	\$ 10,626	\$ 1,274,521	(3,290,768)	(4,228)	(3,294,996)
GENERAL REVENUES:						
Local sources				1,152,754	-	1,152,754
State sources				1,635,816	-	1,635,816
Federal sources				185,039	-	185,039
On-behalf payments - State				574,480	-	574,480
Investment earnings				4,099	-	4,099
Total General Revenues				3,552,188	-	3,552,188
CHANGE IN NET ASSETS				261,420	(4,228)	257,192
NET ASSETS - BEGINNING				2,493,828	14,407	2,508,235
NET ASSETS - ENDING				\$ 2,755,248	\$ 10,179	\$ 2,765,427

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, 2010

	General Fund	Education Fund	Non-Major Funds	Eliminations	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 499,484	\$ 695,502	\$ 327,473	\$ -	\$ 1,522,459
Due from other funds	-	765,835	-	(765,835)	-
Due from other governments:					
Local	468,643	482	33,760	-	502,885
State	36,928	706,031	-	-	742,959
Federal	-	76,249	-	-	76,249
Accounts receivable	-	-	55,510	-	55,510
TOTAL ASSETS	\$ 1,005,055	\$ 2,244,099	\$ 416,743	\$ (765,835)	\$ 2,900,062
LIABILITIES					
Accounts payable	\$ 8,386	\$ 131,078	\$ 112,481	\$ -	\$ 251,945
Due to other funds	51,208	686,784	27,843	(765,835)	-
Deferred revenue	24,228	445,888	12,033	-	482,149
Total Liabilities	83,822	1,263,750	152,357	(765,835)	734,094
FUND BALANCES					
Unreserved, reported in:					
General fund	921,233	-	-	-	921,233
Special revenue funds	-	980,349	264,386	-	1,244,735
Total Fund Balances	921,233	980,349	264,386	-	2,165,968
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,005,055	\$ 2,244,099	\$ 416,743	\$ (765,835)	\$ 2,900,062

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, 2010

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS \$ 2,165,968

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	104,466
Prepaid expenses are recognized as expenditures in the governmental funds; however, they are recognized as current assets in the government-wide financial statements.	22,379
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(7,681)
Some revenues will not be collected for several months after the Regional Office's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.	<u>470,116</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 2,755,248

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, 2010

	General Fund	Education Fund	Non-Major Funds	Eliminations	Total Governmental Funds
REVENUES					
Local sources	\$ 424,264	\$ 30,603	\$ 697,887	\$ -	\$ 1,152,754
State sources	48,400	1,990,264	18,746	-	2,057,410
On-behalf payments - State	574,480	-	-	-	574,480
Federal sources	-	567,850	-	-	567,850
Total Revenues	<u>1,047,144</u>	<u>2,588,717</u>	<u>716,633</u>	<u>-</u>	<u>4,352,494</u>
EXPENDITURES					
Instructional Services:					
Salaries and benefits	300,704	2,028,858	287,591	-	2,617,153
Purchased services	142,631	627,177	401,601	-	1,171,409
Supplies and materials	36,627	144,993	14,843	-	196,463
Other objects	2,175	47	523	-	2,745
On-behalf payments - State	574,480	-	-	-	574,480
Capital outlay	40,393	22,374	-	-	62,767
Total Expenditures	<u>1,097,010</u>	<u>2,823,449</u>	<u>704,558</u>	<u>-</u>	<u>4,625,017</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	<u>(49,866)</u>	<u>(234,732)</u>	<u>12,075</u>	<u>-</u>	<u>(272,523)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	180,763	23,296	(204,059)	-
Transfers out	-	(189,059)	(15,000)	204,059	-
Interest	1,380	-	2,719	-	4,099
Total Other Financing Sources (Uses)	<u>1,380</u>	<u>(8,296)</u>	<u>11,015</u>	<u>-</u>	<u>4,099</u>
NET CHANGE IN FUND BALANCE	<u>(48,486)</u>	<u>(243,028)</u>	<u>23,090</u>	<u>-</u>	<u>(268,424)</u>
FUND BALANCE - BEGINNING, RESTATED	<u>969,719</u>	<u>1,223,377</u>	<u>241,296</u>	<u>-</u>	<u>2,434,392</u>
FUND BALANCE - ENDING	<u>\$ 921,233</u>	<u>\$ 980,349</u>	<u>\$ 264,386</u>	<u>\$ -</u>	<u>\$ 2,165,968</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, 2010

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ (268,424)

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

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

Capital outlay	\$ 62,767	
Depreciation expense	<u>(28,218)</u>	34,549

Prepaid expenses are recognized as expenditures in the governmental funds; however, they are recognized as current assets in the government-wide financial statements.		22,379
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Accrued payroll and benefits costs which reflect the amount of vacation pay that has been earned by the Regional Office of Education #39's employees in prior years and was paid in the current year, but is not reported in the governmental funds		2,800
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Some revenues will not be collected for several months after the Regional Office's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.		<u>470,116</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 261,420

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2010

	Business-Type Activities - Enterprise Fund	
	Workshop Reimbursement	Total
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 10,711	\$ 10,711
Total current assets	10,711	10,711
Noncurrent assets:		
Capital assets, net	2,267	2,267
TOTAL ASSETS	12,978	12,978
LIABILITIES		
Current Liabilities:		
Accounts payable	2,799	2,799
TOTAL LIABILITIES	2,799	2,799
NET ASSETS		
Invested in capital assets	2,267	2,267
Unrestricted	7,912	7,912
TOTAL NET ASSETS	\$ 10,179	\$ 10,179

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 FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Business-Type Activities - Enterprise Fund	
	Workshop Reimbursement	Total
	<u> </u>	<u> </u>
OPERATING REVENUES		
Workshop fees	\$ 10,626	\$ 10,626
Total Operating Revenues	<u>10,626</u>	<u>10,626</u>
OPERATING EXPENSES		
Purchased services	8,031	8,031
Supplies and materials	6,197	6,197
Depreciation	626	626
Total Operating Expenses	<u>14,854</u>	<u>14,854</u>
CHANGE IN NET ASSETS	(4,228)	(4,228)
TOTAL NET ASSETS - BEGINNING	<u>14,407</u>	<u>14,407</u>
TOTAL NET ASSETS - ENDING	<u>\$ 10,179</u>	<u>\$ 10,179</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 FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Business-Type Activities - Enterprise Fund	
	Workshop Reimbursement	Total
Cash Flows from Operating Activities:		
Receipts from customers	\$ 12,176	\$ 12,176
Payments to suppliers and providers of goods and services	(13,702)	(13,702)
Net Cash Provided by (Used for) Operating Activities	(1,526)	(1,526)
Net Increase (Decrease) in Cash	(1,526)	(1,526)
Cash and cash equivalents - Beginning	12,237	12,237
Cash and cash equivalents - Ending	\$ 10,711	\$ 10,711
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Operating Income (Loss)	\$ (4,228)	\$ (4,228)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	626	626
Increase in accounts payable	526	526
Decrease in accounts receivable	1,550	1,550
Net Cash Provided by (Used for) Operating Activities	\$ (1,526)	\$ (1,526)

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 FUND
 JUNE 30, 2010

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 4,726
Due from other governments	1,487,199
TOTAL ASSETS	<u>\$ 1,491,925</u>
 LIABILITIES	
Due to other governments	\$ 1,491,925
TOTAL LIABILITIES	<u>\$ 1,491,925</u>

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

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Macon/Piatt Counties Regional Office of Education #39 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2010, the Regional Office of Education #39 implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*; GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. The Regional Office of Education #39 implemented these standards during the current year; however, GASB Statements No. 51, 53, and 58 had no impact on the financial statements.

A. FINANCIAL REPORTING ENTITY

The Regional Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teachers' meetings and assist in their management; to evaluate the schools in the region; to examine evidence of indebtedness; to file and keep the returns of elections required to be returned to the Regional Superintendent's office; and to file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #39's districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; to investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

The Regional Superintendent is responsible for inspection and approval or rejection of school treasurers' bonds. The Regional Superintendent is also required to provide the State Board of Education with an affidavit showing that the treasurers of school districts within their region are properly bonded.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. FINANCIAL REPORTING ENTITY (Concluded)

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the region, or see that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2010, the Regional Office of Education #39 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #39. Such activities are reported as a single special revenue fund (Education Fund).

B. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #39's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #39 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education #39 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #39 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #39 is not aware of any entity, which would exercise such 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 THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #39's activities with most of the inter-fund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education has one business-type activity that relies on fees and charges for support.

The Regional Office of Education #39's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education #39 accompanied by a total column. These statements are presented on an "economic resources" measurement as prescribed by GASB Statement No. 34. All of the Regional Office of Education #39's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services, and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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 are reported as separate columns in the fund financial statements.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to inter-fund activities, such as, payables, receivables and transfers. Inter-fund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Assets and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Assets. All inter-fund transactions between governmental funds are eliminated on the government-wide financial statements. Inter-fund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities those transactions between governmental and business-type activities have not been eliminated.

The purpose of inter-fund borrowing and permanent transfers is to cover temporary or permanent short falls in cash flow within grant programs and funds.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. PROPRIETARY FUND FINANCIAL STATEMENTS

Proprietary fund 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 for each major proprietary fund and non-major funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

E. GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the government-wide financial statements.

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles on the modified accrual basis. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues received more than 60 days after the end of the current period are deferred in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for prepaid expenses, and other long-term obligations, which are recognized when paid. Revenue received after the Regional Office’s availability period are reported as deferred revenue in the fund statements and are reported as current revenue in the Statement of Activities.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The governmental funds financial statements focus on the measurement of spending or “financial flow” and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #39; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

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

Under the provision of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Regional Office of Education applies all GASB pronouncements and has elected to apply only the pronouncements issued on or before November 30, 1989 for the following: Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedures.

Under the terms of grant agreements, Macon/Piatt Counties Regional Office of Education #39 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is the Regional Office of Education #39’s policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING

The Regional Office of Education #39 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education #39 uses governmental, proprietary, and fiduciary funds.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are reported. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: (1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and (2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as non-major funds. The Regional Office of Education #39 has presented all major funds that met the above qualifications.

The Regional Office of Education #39 reports the following major governmental funds:

General Fund - The General Fund is the operating fund of the Regional Office of Education #39. It accounts for the expenditures that benefit all school districts in the region except those required to be accounted for in other funds. General Funds include the following:

General – This fund accounts for interest earned on Distributive Fund monies.

ROE/ISC Operations – These funds are provided by the Illinois State Board of Education, through a budget application process, to the Regional Office to provide professional development to district schools and teachers in Macon and Piatt county school districts.

Business Office – This fund accounts 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.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

Education Fund – This fund accounts for various grants supporting education enhancement programs as follows:

Adult Education Performance – This program accounts for the proceeds of a grant awarded by the Illinois Community College Board under its Adult Education program.

Adult Education Public Assistance – This program accounts for the proceeds of a grant awarded by the Illinois Community College Board under its Adult Education program.

Adult Education State Basic – This program accounts for the proceeds of a grant awarded by the Illinois Community College Board under its Adult Education program.

Adult Education Federal Basic – This fund accounts 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. The programs are also to 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 – The program accounts for General State Aid proceeds used for adult education. Funding is also provided by the Macon County Health Board.

Adult Education Transition Center – This program accounts 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.

Workforce Investment Solutions (WIS) – Year Round Youth Program I – This program accounts for an adult/teen GED program that allows youth ages 16–21 access to intensive workforce training, as well as opportunities for educational growth.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Major Special Revenue Funds (Continued)

Education Funds (Continued)

Truants Alternative/Optional Education – This program accounts for the proceeds of a grant from the Illinois State Board of Education to provide educational opportunities for drop-outs and truants.

ADA State Aid – This program accounts for General State Aid for the Futures Unlimited School.

Title III English Language Learner – This program accounts for the proceeds of a grant from the Illinois State Board of Education that provides professional development to local, rural, or other small districts on state and federal laws related to serving English Language Learner (ELL) students, including the identification, assessment, and provision of academic instruction to ELL students.

American Recovery and Reinvestment – General State Aid (ARRA – GSA) – Government – This program accounts for the American Recovery and Reinvestment Act (ARRA) monies used for general salaries.

American Recovery and Reinvestment – General State Aid (ARRA – GSA) – Education – This program accounts for the American Recovery and Reinvestment Act (ARRA) monies for salaries for educational programs.

Gifted Program – This program accounts for the proceeds from a grant from the Illinois State Board of Education to be used toward the development of a diversity guide and training program for teachers to identify and serve gifted students' needs in the classroom.

Title IV Safe and Drug Free Schools – This program accounts for the proceeds of a federal grant passed through the Illinois State Board of Education to provide alcohol and drug education.

Title II Teacher Quality – This program accounts for the proceeds of a grant from the Illinois State Board of Education to improve teacher effectiveness in the classroom.

General State Aid and Lunch and Breakfast – This program accounts for General State Aid received from the Illinois State Board of Education based on the average daily attendance at the Regional Safe School and accounts for federal and State nutrition reimbursements.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Major Special Revenue Funds (Continued)

Education Funds (Continued)

Regional Safe Schools – This program accounts for the proceeds of a grant from the Illinois State Board of Education 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 – This program accounts for monies received from the 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.

Early Childhood Block Grant – This program accounts 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.

Not on Tobacco – This program accounts for a grant awarded to Futures Unlimited for students to learn the hazards of tobacco products.

Title I Reading First Part B SEA – This program supports reading initiatives for students in kindergarten through third grade.

Regional System of Support Provider (RESPRO) – This program accounts for resources for schools identified by the Illinois State Board of Education as being in school improvement status.

Secretary of State – This program accounts 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 II Teacher Quality II – This program accounts for a grant that supports teacher and administrator enhancement by providing staff development programs and by generating awareness of and support for national certification for teachers.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Major Special Revenue Funds (Concluded)

Education Funds (Concluded)

Early Childhood Block Grant II – This program accounts for the proceeds of a grant from the Illinois State Board of Education to bring intensive services to families for whom the mother is a high school student.

Early Childhood Block Grant – Continuing Three to Five – This program accounts for the proceeds of a grant from the Illinois State Board of Education for early childhood and family education programs and services that help young children enter school ready to learn.

Preschool for All – This program accounts for a grant that provides consultants to determine the compliance of preschools.

Homeless Children Youth Program – This program accounts for the proceeds of a grant from the Illinois State Board of Education for identification, referral, and enrollment of homeless and displaced youth in Macon County schools.

The Regional Office of Education #39 reports the following non-major governmental funds:

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

Institute Fund – This fund accounts 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. All funds generated remain restricted until expended only on the aforementioned activities.

General Education Development (GED) – This program accounts for monies received 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.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Non-major Special Revenue Funds (Continued)

Film Library – This program accounts for 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 – This program accounts for registration and user fees and a distribution from the Illinois State Board of Education. These monies are used to pay the administrative expenses incurred to ensure compliance with 105 ILCS 5/3-14.23 (school bus driver permits).

Supervisory – This program accounts 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 – This program accounts for receipts and disbursements related to school annexation, consolidations, and school grievances.

Junior Achievement – This program accounts for sales of candy, etc.

Futures Pop Fund – This program accounts for revenue and expenses from the Futures Unlimited pop machine.

St. Mary's Hospital School – This program accounts for charges to local school districts for educational services provided to students being treated by St. Mary's Adolescent Mental Health Services.

Student Council – This program accounts for the sales of candy, bake sales, etc. for class trips.

Recycling and Energy – This program accounts for proceeds from Caterpillar, Inc., for recycling and energy education curriculum for all students (K-12) in Macon and Piatt Counties.

Teachers' Exchange – This program accounts for revenue generated by fees from classes.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

Non-major Special Revenue Funds (Concluded)

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

Department of Corrections – GED Contract – This program provides GED testing at Decatur, Taylorville, Lincoln, Logan, Danville, and Pontiac correctional facilities.

Futures Foundation – This program accounts for Futures Unlimited contributions from the Community Foundation of Decatur/Macon County and various other donors.

Water Street Pop Fund – This program accounts for revenue and expenses from the pop machine at the Water Street facility.

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

PROPRIETARY FUND

Proprietary Fund – The Proprietary Fund accounts for revenue and expenses related to services provided to organizations inside the Regional Office of Education #39 on a cost-reimbursement basis. The Regional Office of Education #39 reports the following proprietary fund:

Workshop Reimbursement – This program provides workshops for professional development presented by Regional Office of Education employees.

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 individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency Funds include the following:

Distributive Fund – This fund accounts for the assets held by the Regional Office of Education #39 to be distributed to local school districts and other governmental units. The Regional Office of Education #39 has agreements with all entities that receive distributions from this fund to keep all accumulated interest.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUNDS (Concluded)

Agency Funds (Concluded)

Project Success Fund – This fund accounts 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 – This fund accounts for the assets held 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.

H. NET ASSETS

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

Invested in capital assets - 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.”

I. CASH AND CASH EQUIVALENTS

The Macon/Piatt Counties Regional Office of Education #39’s cash and cash equivalents are considered to be demand deposits and short-term investments. All interest income is recognized as revenue in the appropriate fund’s Statement of Revenues, Expenditures and Changes in Fund Balance.

J. INVENTORY

Inventory is not recorded. The cost is recorded as an expenditure at the time individual inventory items are purchased.

MACON/PLATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. 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.

L. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$500 or more and estimated useful lives of greater than one year are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received.

Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis 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.

M. COMPENSATED ABSENCES

After one year of employment, noncertified and certified employees who have a 261-day contract can earn up to 20 vacation days per year, prorated based on the number of days worked. Employees with less than full-year contracts do not earn vacation days. Unused vacation time carries forward to the next year with director's approval, but the previous year's unused vacation time is forfeited if unused by the end of the next year. Unused vacation time is paid on termination of employment. Accumulated vacation benefits are accrued as incurred in the government-wide financial statements. Governmental funds record accumulated vacation benefits payable only when due for payment, such as when an employee retires or resigns.

Employees who have at least a 182-day contract receive two personal days per year. Unused personal days are allowed to accrue as sick leave. Employees earn up to 15 sick days per year, depending on the length of their annual contract, and the unused portion accumulates indefinitely. Employee sick leave is recorded when paid. Upon retirement, unused sick leave may be used as service credits toward the employee's retirement fund. Upon termination, employees do not receive any accumulated sick leave pay, and therefore no liability is accrued.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

N. BUDGET INFORMATION

The Regional Office of Education #39 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Funds. Certain programs have separate budgets and are required to report to the Illinois State Board of Education and the Illinois Community College Board; however, none of the annual budgets have been legally adopted, nor are they required to be. Certain programs within the General Fund and Special Revenue Funds do not have separate budgets. Comparisons of budgeted and actual results are presented as supplemental information. Budgetary comparison schedules have been provided in supplemental schedules for the following funds: ROE/ISC Operations, Adult Education Performance, Adult Education Public Assistance, Adult Education State Basic, Adult Education Federal Basic, Workforce Investment Solutions – Year Round Youth Program I, Truants Alternative/Optional Education Program, Title III English Language Learner, Gifted Program, Title IV Safe and Drug Free Schools, Title II Teacher Quality, Regional Safe Schools, Early Childhood Block Grant, Title I Reading First Part B SEA, Regional System of Support Provider (RESPRO), Title II Teacher Quality II, Early Childhood Block Grant II, Early Childhood Block Grant – Continuing Three to Five, Preschool For All, and Homeless Children Youth Program.

NOTE 2 – CASH

The Regional Office of Education #39 does not have a formal investment policy. The Regional Office of Education #39 is allowed to invest in securities as authorized by 30 ILCS 235/2 and 6 and 105 ILCS 5/8-7.

A. DEPOSITS

At June 30, 2010, the carrying amount of the Regional Office of Education #39's government-wide and Agency Fund deposits were \$1,533,170 and \$4,726, respectively, and the bank balances were \$1,564,436 and \$4,726, respectively. Of the total bank balances as of June 30, 2010, \$279,733 was secured by federal depository insurance, \$1,289,429 was collateralized by securities pledged by the Regional Office of Education #39's financial institution in the name of the Regional Office.

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the ROE's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Regional Office of Education #39's investment policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the Regional Office of Education #39.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2 – CASH (Concluded)

B. INVESTMENTS

The Regional Office of Education #39 does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2010, the Regional Office of Education #39 had investments with carrying and fair values of \$10,237 invested in the Illinois Funds Money Market Fund, which is reported as cash and cash equivalents in the financial statements.

CREDIT RISK

At June 30, 2010, 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 provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

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.

INTEREST RATE RISK

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

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 3 - DEFINED BENEFIT PENSION PLAN

Plan Description. The Regional Office of Education #39's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #39's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on line at www.imrf.org.

Funding Policy. As set by statute, the Regional Office of Education #39's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 10.12 percent of annual covered payroll. The Regional Office of Education #39 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For fiscal year ending December 31, 2009, the Regional Office of Education #39's annual pension cost of \$86,485 for the Regular plan was equal to the Regional Office of Education #39's required and actual contributions.

THREE YEAR TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	\$ 86,485	100%	\$ -
12/31/08	135,605	100%	-
12/31/07	139,546	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of the Regional Office of Education #39's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Regional Office of Education #39's plan unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 5 years.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Concluded)

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 96.87 percent funded. The actuarial accrued liability for benefits was \$2,102,898 and the actuarial value of assets was \$2,037,136, resulting in an underfunded actuarial accrued liability (UAAL) of \$65,762. The covered payroll (annual payroll of active employees covered by the plan) was \$854,598 and the ratio of the UAAL to the covered payroll was 8 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 10 year basis.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 4 - 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 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 non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2010, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2009 and 2008.

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, 2010, the State of Illinois contributions were based on 23.38 percent of creditable earnings, not paid from federal funds and the Regional Office of Education #39 recognized revenue and expenditures of \$357,235 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2009, and June 30, 2008, the State of Illinois contribution rates as percentages of creditable earnings, not paid from federal funds were 17.08 percent (\$489,364) and 13.11 percent (\$463,717), respectively.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

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

- **2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ending June 30, 2010, were \$8,154. Contributions for the years ending June 30, 2009, and June 30, 2008, were \$19,480 and \$20,515, respectively.
- **Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #39, there is a statutory requirement for the Regional Office of Education #39 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2010, the employer pension contribution was 23.38 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2009 and 2008, the employer contribution was 17.08 and 13.11 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2010, salaries totaling \$62,004 were paid from federal and special trust funds that required employer contributions of \$14,496. For the years ended June 30, 2009 and 2008, required Regional Office of Education #39 contributions were \$84,170 and \$100,274, respectively.

- **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 (ERO). The payments vary depending on the age and salary of the member.

Public Act 94-0004 made changes in the ERO programs that were in effect for all ERO retirements in fiscal years 2008 through 2010. The act increased member and employer contributions and eliminated the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service.

Under the current ERO, the maximum employer contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the years ended June 30, 2010, 2009, and 2008, the Regional Office of Education #39 paid no contributions to the ERO program.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Concluded)

- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two new employer contributions to TRS. If the Regional Office of Education #39 grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the Regional Office of Education #39 makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increase of up to 6 percent. For the year ended June 30, 2010, the Regional Office of Education #39 paid no employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2009 and 2008, the Regional Office of Education #39 paid no employer contributions due on salary increases in excess of 6 percent.

If the Regional Office of Education #39 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the Regional Office of Education #39 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.55 percent of salary during the year ended June 30, 2010.) For the year ended June 30, 2010, the Regional Office of Education #39 paid no employer contributions to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2009 and 2008, the Regional Office of Education #39 paid no employer contributions granted for sick leave days.

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, 2009. The report for the year ended June 30, 2010, is expected to be available in late 2010. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, PO Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

NOTE 5 - TEACHERS' HEALTH INSURANCE SYSTEM

The Regional Office of Education #39 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the State administered participating provider option plan or choose from several managed care options.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 - TEACHERS' HEALTH INSURANCE SYSTEM (Concluded)

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the State make a contribution to THIS.

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office. State contributions are intended to match contributions to THIS Fund from active members which were 0.84 percent of pay during the year ended June 30, 2010. State of Illinois contributions were \$11,811, and the Regional Office of Education #39 recognized revenue and expenditures of this amount during the year.

Employer contributions to THIS Fund. The employer (Regional Office of Education #39) also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.63 percent during the years ended June 30, 2010, June 30, 2009, and June 30, 2008. For the year ended June 30, 2010, the Regional Office of Education #39 paid \$8,858, to the THIS Fund.

Had the Regional Office of Education #39 recognized revenue and expenditures for State contributions intended to match active member contributions during the years ended June 30, 2009 and June 30, 2008 under the current standards, the contribution match would have been 0.84 percent of pay or \$21,156 and \$22,284, respectively.

Further information on THIS Fund. The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

NOTE 6 – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #39 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased. The following table provides a summary of changes in total capital assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2010:

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6 – CAPITAL ASSETS (Concluded)

	<u>Balance</u> <u>7/1/2009</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6/30/2010</u>
Governmental Activities				
<u>General Fund</u>				
Leasehold improvements	\$ 45,000	\$ -	\$ -	\$ 45,000
Equipment and furniture	91,517	40,393	-	131,910
<u>Education Fund</u>				
Equipment and furniture	<u>250,968</u>	<u>22,374</u>	<u>-</u>	<u>273,342</u>
Governmental Activities				
Total Capital Assets	387,485	62,767	-	450,252
Less: Accumulated Depreciation	<u>(317,568)</u>	<u>(28,218)</u>	<u>-</u>	<u>(345,786)</u>
Governmental Activities				
Investment in Capital Assets, Net	<u>\$ 69,917</u>	<u>\$ 34,549</u>	<u>\$ -</u>	<u>\$ 104,466</u>
Business-Type Activities				
<u>Enterprise Fund</u>				
Equipment and furniture	<u>\$ 5,555</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,555</u>
Business-Type Activities				
Total Capital Assets	5,555	-	-	5,555
Less: Accumulated Depreciation	<u>(2,662)</u>	<u>(626)</u>	<u>-</u>	<u>(3,288)</u>
Business-Type Activities				
Investment in Capital Assets, Net	<u>\$ 2,893</u>	<u>\$ (626)</u>	<u>\$ -</u>	<u>\$ 2,267</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2010 of \$28,218 and \$626 were charged to the governmental activities and business type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

NOTE 7 - RISK MANAGEMENT

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; injuries to employees; and natural disasters. The Regional Office of Education #39 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 8 - INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Inter-fund due to/from other fund balances at June 30, 2010 consist of the following individual due to/from other funds in the governmental fund's Balance Sheet. The balances between governmental funds were eliminated in the government-wide Statement of Net Assets.

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ -	\$ 51,208
Education Fund	765,835	686,784
Special Revenue	-	27,843
	<hr/>	<hr/>
Total	<u>\$ 765,835</u>	<u>\$ 765,835</u>

TRANSFERS

Interfund transfers in/out to other fund balances at June 30, 2010 consist of the following individual transfers in/out to other funds in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Non Major Special Revenue Fund	\$ 23,296	\$ 15,000
Education Fund	180,763	189,059
	<hr/>	<hr/>
Total	<u>\$ 204,059</u>	<u>\$ 204,059</u>

NOTE 9 – OPERATING LEASE

The Regional Office of Education #39 is committed through July 31, 2012 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 \$7,073. The lease also calls for the Regional Office to pay all utilities and liability insurance.

The Regional Office of Education #39 is committed through March 31, 2011 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 \$3,975. The lease also calls for the Regional Office to pay all utilities and liability insurance.

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 9 – OPERATING LEASE (Concluded)

Future minimum payments are as follows for the years ending June 30:

2011	\$ 120,651
2012	84,876
2013	7,073
2014	-
2015	-
<u>Thereafter</u>	-
Total	<u><u>\$ 212,600</u></u>

NOTE 10 – ON BEHALF PAYMENTS

The State of Illinois paid the following salaries on behalf of the Regional Office of Education #39:

Regional Superintendent Salary	\$ 104,541
Assistant Regional Superintendent Salary	79,350
Regional Superintendent Benefits (Includes State paid insurance)	20,392
Assistant Regional Superintendent Benefits (Includes State paid insurance)	1,151
TRS Pension Contribution	357,235
Teachers' Health Insurance System (THIS) Contribution	<u>11,811</u>
Total	<u><u>\$ 574,480</u></u>

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

These amounts have been recorded in the accompanying financial statements as state revenue and expenditures.

NOTE 11 – SUBSEQUENT EVENT

Management has evaluated subsequent events through May 20, 2011, the date which the financial statements were available to be issued.

MACON/PLATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 12 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #39’s Agency Fund, General Fund, Education Fund, and Non-major Funds have funds due from/to various other governmental units which consist of the following:

Due from Other Governments:

<u>General Fund</u>	
Illinois State Board of Education	\$ 36,928
Local Governments	468,643
<u>Education Fund</u>	
Local Governments	482
Illinois State Board of Education	706,967
Workforce Investment Solutions	24,111
Iroquois/Kankakee ROE	51,202
<u>Nonmajor Funds</u>	
Local Governments	33,760
<u>Agency Funds</u>	
Local Governments	1,487,199
Total	<u>\$ 2,809,292</u>

Due to Other Governments:

<u>Agency Funds</u>	
Local Governments	<u>\$ 1,491,925</u>

NOTE 13 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds (which are presented only in combination on the financial statements). Funds having deficit fund balances/net assets and funds which overexpend appropriations during the year are required to be disclosed.

Because some revenues from the State of Illinois will not be collected for several months after the Regional Office’s fiscal year ends, they are not considered “available” revenues and are deferred in the governmental funds. The deferral of the revenues caused deficit fund balances as of June 30, 2010 in the following funds:

ROE/ISC Operations	\$ 24,228
Adult Education Performance	18,468
Adult Education Public Assistance	9,471
Adult Education State Basic	6,488
Adult Education Transition	38,448
Truants Alternative Optional Education	89,359
Early Childhood Block Grant	187,368
Early Childhood Block Grant II	30,600
Early Childhood Block Grant – Continuing	
Three to Five	22,599
Preschool For All	13,851
Regional Safe Schools	29,232

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 14 – RECLASSIFICATION

In prior years the Water Street Pop Fund was reported in the Education Funds. This fund accounts for revenue received from soda sales that are utilized to provide activities for the students which are not provided for in the educational grants. This activity has been reclassified to a Nonmajor Special Revenue Fund in fiscal year 2010.

Below are the effects of this reclassification:

Education Funds

Fund Balances – July 1, 2009	\$ 1,223,781
Effect of reclassifying the Water Street Pop Fund to a Nonmajor Special Revenue Fund	<u>(404)</u>
Fund Balances, Restated – July 1, 2009	<u>\$ 1,223,377</u>

Nonmajor Special Revenue Funds

Fund Balances – July 1, 2009	\$ 240,892
Effect of reclassifying the Water Street Pop Fund to a Nonmajor Special Revenue Fund	<u>404</u>
Fund Balances, Restated – July 1, 2009	<u>\$ 241,296</u>

NOTE 15 – COMPENSATED ABSENCES

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.

Balance at July 1, 2009	\$ 10,481	
Net change in liability	<u>(2,800)</u>	
Balance at June 30, 2010	<u>\$ 7,681</u>	

NOTE 16 – DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The Regional Office of Education #39 did not recognize and disclose postemployment benefits other than pensions (OPEB) as required by Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in their financial statements. In our opinion, disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

The Regional Office has continued to account for post-employment benefits other than pensions on a pay as you go basis and these financial statements therefore exclude a liability for benefits employees have currently earned that will be paid at retirement.

REQUIRED SUPPLEMENTAL 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)
JUNE 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	(2) Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	(3) Funded Ratio (a/b)	(4) Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	2,037,136	2,102,898	65,762	96.87%	854,598	7.70%
12/31/08	2,233,072	2,205,111	(27,961)	101.27%	1,072,826	0.00%
12/31/07	1,992,944	2,132,610	139,666	93.45%	1,221,941	11.43%

On a market value basis, the actuarial value of assets as of December 31, 2009 Is \$1,956,305.

On a market basis, the funded ratio would be 93.03%.

OTHER SUPPLEMENTAL INFORMATION

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2010

	General	ROE/ISC Operations	Business Office	TOTALS
ASSETS				
Cash and cash equivalents	\$ 22,161	\$ -	\$ 477,323	\$ 499,484
Due from other governments				
Local	-	-	468,643	468,643
State	-	36,928	-	36,928
TOTAL ASSETS	\$ 22,161	\$ 36,928	\$ 945,966	\$ 1,005,055
LIABILITIES				
Accounts payable	\$ -	\$ 6,274	\$ 2,112	\$ 8,386
Due to other funds	-	30,654	20,554	51,208
Deferred revenue	-	24,228	-	24,228
Total Liabilities	-	61,156	22,666	83,822
FUND BALANCE (DEFICIT)				
Unreserved	22,161	(24,228)	923,300	921,233
Total Fund Balance (Deficit)	22,161	(24,228)	923,300	921,233
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 22,161	\$ 36,928	\$ 945,966	\$ 1,005,055

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, 2010

	General	ROE/ISC Operations	Business Office	TOTALS
REVENUES				
Local sources	\$ -	\$ -	\$ 424,264	\$ 424,264
State sources	-	44,900	3,500	48,400
On-behalf payments - State	574,480	-	-	574,480
Total Revenues	574,480	44,900	427,764	1,047,144
EXPENDITURES				
Salaries and benefits	-	15,293	285,411	300,704
Purchased services	-	21,291	121,340	142,631
Supplies and materials	-	24,525	12,102	36,627
Other objects	-	1,023	1,152	2,175
Capital outlay	-	6,997	33,396	40,393
On-behalf payments - State	574,480	-	-	574,480
Total Expenditures	574,480	69,129	453,401	1,097,010
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(24,229)	(25,637)	(49,866)
OTHER FINANCING SOURCES (USES)				
Interest	68	-	1,312	1,380
Total Other Financing Sources (Uses)	68	-	1,312	1,380
NET CHANGE IN FUND BALANCE	68	(24,229)	(24,325)	(48,486)
FUND BALANCE - BEGINNING	22,093	1	947,625	969,719
FUND BALANCE (DEFICIT) - ENDING	\$ 22,161	\$ (24,228)	\$ 923,300	\$ 921,233

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009 to June 30, 2010)
 GENERAL FUND
 ROE/ISC OPERATIONS
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
State sources	\$ 69,128	\$ 69,128	\$ 44,900
Total revenues	<u>69,128</u>	<u>69,128</u>	<u>44,900</u>
EXPENDITURES			
Salaries and benefits	15,296	15,296	15,293
Purchased services	23,474	23,474	21,291
Supplies and materials	23,170	23,170	24,525
Other objects	-	-	1,023
Capital outlay	<u>7,188</u>	<u>7,188</u>	<u>6,997</u>
Total expenditures	<u>69,128</u>	<u>69,128</u>	<u>69,129</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(24,229)</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>1</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,228)</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2010

	Adult Education Performance	Adult Education Public Assistance	Adult Education State Basic	Adult Education Federal Basic	Adult Education
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 212,054
Due from other funds	-	-	-	-	-
Due from other governments:					
Local	-	-	-	-	-
State	18,468	20,070	14,098	-	-
Federal	-	-	-	-	-
TOTAL ASSETS	\$ 18,468	\$ 20,070	\$ 14,098	\$ -	\$ 212,054
LIABILITIES					
Accounts payable	\$ 258	\$ 524	\$ 120	\$ -	\$ 2,111
Due to other funds	18,210	19,544	13,978	-	-
Deferred revenue	18,468	9,473	6,488	-	-
Total Liabilities	36,936	29,541	20,586	-	2,111
FUND BALANCE (DEFICIT)					
Unreserved	(18,468)	(9,471)	(6,488)	-	209,943
Total Fund Balance (Deficit)	(18,468)	(9,471)	(6,488)	-	209,943
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 18,468	\$ 20,070	\$ 14,098	\$ -	\$ 212,054

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2010

	Adult Education Transition Center	WIS - Year Round Youth Program I	Truants Alternative/ Optional Education	ADA State Aid	Title III English Language Learner
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 232,823	\$ -
Due from other funds	-	-	-	765,835	-
Due from other governments:					
Local	-	-	-	426	-
State	38,449	-	134,040	-	-
Federal	-	24,111	-	-	-
TOTAL ASSETS	\$ 38,449	\$ 24,111	\$ 134,040	\$ 999,084	\$ -
LIABILITIES					
Accounts payable	\$ 1,149	\$ 28	\$ 30,216	\$ 32,585	\$ -
Due to other funds	37,299	24,083	103,823	-	-
Deferred revenue	38,449	-	89,360	-	-
Total Liabilities	76,897	24,111	223,399	32,585	-
FUND BALANCE (DEFICIT)					
Unreserved	(38,448)	-	(89,359)	966,499	-
Total Fund Balance (Deficit)	(38,448)	-	(89,359)	966,499	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 38,449	\$ 24,111	\$ 134,040	\$ 999,084	\$ -

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2010

	ARRA - GSA - Government	ARRA - GSA - Education	Gifted Program	Title IV Safe and Drug Free	Title II Teacher Quality
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 8,148	\$ -	\$ 1,764
Due from other funds	-	-	-	-	-
Due from other governments:					
Local	-	-	-	-	-
State	-	-	22,978	-	-
Federal	-	-	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ 31,126	\$ -	\$ 1,764
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 22,631	\$ -	\$ -
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total Liabilities	-	-	22,631	-	-
FUND BALANCE (DEFICIT)					
Unreserved	-	-	8,495	-	1,764
Total Fund Balance (Deficit)	-	-	8,495	-	1,764
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ -	\$ -	\$ 31,126	\$ -	\$ 1,764

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2010

	General State Aid & Lunch & Breakfast	Regional Safe Schools	Special Educaton for Department of Corrections	Early Childhood Block Grant	Not on Tobacco
ASSETS					
Cash and cash equivalents	\$ 240,255	\$ -	\$ 64	\$ -	\$ 394
Due from other funds	-	-	-	-	-
Due from other governments:					
Local	56	-	-	-	-
State	-	62,232	-	281,052	-
Federal	-	-	-	-	-
TOTAL ASSETS	\$ 240,311	\$ 62,232	\$ 64	\$ 281,052	\$ 394
LIABILITIES					
Accounts payable	\$ 1,237	\$ 15,833	\$ -	\$ 6,263	\$ -
Due to other funds	-	46,399	-	274,789	-
Deferred revenue	-	29,232	-	187,368	-
Total Liabilities	1,237	91,464	-	468,420	-
FUND BALANCE (DEFICIT)					
Unreserved	239,074	(29,232)	64	(187,368)	394
Total Fund Balance (Deficit)	239,074	(29,232)	64	(187,368)	394
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 240,311	\$ 62,232	\$ 64	\$ 281,052	\$ 394

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2010

	Title I Reading First Part B SEA	RESPRO	Secretary of State	Title II Teacher Quality II	Early Childhood Block Grant II
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-
Due from other governments:					
Local	-	-	-	-	-
State	-	-	7,194	-	45,900
Federal	936	39,367	-	11,835	-
TOTAL ASSETS	\$ 936	\$ 39,367	\$ 7,194	\$ 11,835	\$ 45,900
LIABILITIES					
Accounts payable	\$ -	\$ 7,743	\$ -	\$ 7,083	\$ 1,310
Due to other funds	936	31,624	7,194	4,752	44,590
Deferred revenue	-	-	-	-	30,600
Total Liabilities	936	39,367	7,194	11,835	76,500
FUND BALANCE (DEFICIT)					
Unreserved	-	-	-	-	(30,600)
Total Fund Balance (Deficit)	-	-	-	-	(30,600)
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 936	\$ 39,367	\$ 7,194	\$ 11,835	\$ 45,900

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2010

	Early Childhood Block Grant- Continuing Three to Five	Preschool For All	Homeless Children Youth Program	TOTALS
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 695,502
Due from other funds	-	-	-	765,835
Due from other governments:				
Local	-	-	-	482
State	32,149	29,401	-	706,031
Federal	-	-	-	76,249
TOTAL ASSETS	\$ 32,149	\$ 29,401	\$ -	\$ 2,244,099
LIABILITIES				
Accounts payable	\$ 1,987	\$ -	\$ -	\$ 131,078
Due to other funds	30,162	29,401	-	686,784
Deferred revenue	22,599	13,851	-	445,888
Total Liabilities	54,748	43,252	-	1,263,750
FUND BALANCE (DEFICIT)				
Unreserved	(22,599)	(13,851)	-	980,349
Total Fund Balance (Deficit)	(22,599)	(13,851)	-	980,349
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 32,149	\$ 29,401	\$ -	\$ 2,244,099

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2010

	Adult Education Performance	Adult Education Public Assistance	Adult Education State Basic	Adult Education Federal Basic	Adult Education
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	49,405	29,543	20,585	-	-
Federal sources	-	-	-	23,711	-
Total Revenues	49,405	29,543	20,585	23,711	-
EXPENDITURES					
Salaries and benefits	49,786	26,299	21,570	22,804	86,268
Purchased services	16,416	9,460	3,181	147	35,650
Supplies and materials	1,671	3,255	2,323	760	1,022
Other objects	-	-	-	-	47
Capital outlay	-	-	-	-	-
Total Expenditures	67,873	39,014	27,074	23,711	122,987
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(18,468)	(9,471)	(6,489)	-	(122,987)
OTHER FINANCING SOURCES (USES):					
Transfer in	-	-	-	-	144,099
Transfer out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	144,099
NET CHANGE IN FUND BALANCE	(18,468)	(9,471)	(6,489)	-	21,112
FUND BALANCE - BEGINNING, RESTATED	-	-	1	-	188,831
FUND BALANCE (DEFICIT) - ENDING	\$ (18,468)	\$ (9,471)	\$ (6,488)	\$ -	\$ 209,943

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2010

	Adult Education Transition Center	WIS - Year Round Youth Program I	Truants Alternative/ Optional Education	ADA State Aid	Title III English Language Learner
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ 7,393	\$ -
State sources	38,838	-	178,745	713,820	-
Federal sources	-	60,784	-	-	2,000
Total Revenues	<u>38,838</u>	<u>60,784</u>	<u>178,745</u>	<u>721,213</u>	<u>2,000</u>
EXPENDITURES					
Salaries and benefits	76,320	49,645	218,217	208,381	-
Purchased services	698	8,664	42,688	169,335	100
Supplies and materials	268	2,475	7,200	13,999	1,900
Other objects	-	-	-	-	-
Capital outlay	-	-	-	2,072	-
Total Expenditures	<u>77,286</u>	<u>60,784</u>	<u>268,105</u>	<u>393,787</u>	<u>2,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(38,448)</u>	<u>-</u>	<u>(89,360)</u>	<u>327,426</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	(152,395)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(152,395)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(38,448)</u>	<u>-</u>	<u>(89,360)</u>	<u>175,031</u>	<u>-</u>
FUND BALANCE - BEGINNING, RESTATED	<u>-</u>	<u>-</u>	<u>1</u>	<u>791,468</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (38,448)</u>	<u>\$ -</u>	<u>\$ (89,359)</u>	<u>\$ 966,499</u>	<u>\$ -</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2010

	ARRA - GSA - Government	ARRA - GSA - Education	Gifted Program	Title IV Safe and Drug Free	Title II Teacher Quality
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	157,664	-	-
Federal sources	46,260	138,779	-	500	3,103
Total Revenues	<u>46,260</u>	<u>138,779</u>	<u>157,664</u>	<u>500</u>	<u>3,103</u>
EXPENDITURES					
Salaries and benefits	34,691	101,497	103,162	-	-
Purchased services	10,117	18,782	30,472	500	3,103
Supplies and materials	1,452	-	15,535	-	-
Other objects	-	-	-	-	-
Capital outlay	-	18,500	-	-	-
Total Expenditures	<u>46,260</u>	<u>138,779</u>	<u>149,169</u>	<u>500</u>	<u>3,103</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>8,495</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):					
Transfer in	9,771	26,893	-	-	-
Transfer out	(9,771)	(26,893)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>8,495</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING, RESTATED	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,764</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,495</u>	<u>\$ -</u>	<u>\$ 1,764</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2010

	General State Aid & Lunch & Breakfast	Regional Safe Schools	Special Educaton for Department of Corrections	Early Childhood Block Grant	Not on Tobacco
REVENUES					
Local sources	\$ 23,210	\$ -	\$ -	\$ -	\$ -
State sources	119,094	147,000	-	374,743	-
Federal sources	5,118	-	-	-	-
Total Revenues	<u>147,422</u>	<u>147,000</u>	<u>-</u>	<u>374,743</u>	<u>-</u>
EXPENDITURES					
Salaries and benefits	77,335	155,263	-	474,593	-
Purchased services	67,979	10,739	-	70,866	-
Supplies and materials	3,888	8,428	-	16,652	-
Other objects	-	-	-	-	-
Capital outlay	-	1,802	-	-	-
Total Expenditures	<u>149,202</u>	<u>176,232</u>	<u>-</u>	<u>562,111</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,780)</u>	<u>(29,232)</u>	<u>-</u>	<u>(187,368)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,780)	(29,232)	-	(187,368)	-
FUND BALANCE - BEGINNING, RESTATED	<u>240,854</u>	<u>-</u>	<u>64</u>	<u>-</u>	<u>394</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 239,074</u>	<u>\$ (29,232)</u>	<u>\$ 64</u>	<u>\$ (187,368)</u>	<u>\$ 394</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2010

	Title I Reading First Part B SEA	RESPRO	Secretary of State	Title II Teacher Quality II	Early Childhood Block Grant II
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	28,778	-	61,200
Federal sources	18,715	229,859	-	25,221	-
Total Revenues	18,715	229,859	28,778	25,221	61,200
EXPENDITURES					
Salaries and benefits	-	150,094	28,573	-	81,039
Purchased services	18,715	35,501	205	11,443	8,272
Supplies and materials	-	44,264	-	13,778	2,489
Other objects	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	18,715	229,859	28,778	25,221	91,800
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	(30,600)
OTHER FINANCING SOURCES (USES):					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-	(30,600)
FUND BALANCE - BEGINNING, RESTATED	-	-	-	-	-
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ -	\$ -	\$ (30,600)

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2010

	Early Childhood Block Grant- Continuing Three to Five	Preschool For All	Homeless Children Youth Program	TOTALS
REVENUES				
Local sources	\$ -	\$ -	\$ -	\$ 30,603
State sources	38,200	32,649	-	1,990,264
Federal sources	-	-	13,800	567,850
Total Revenues	38,200	32,649	13,800	2,588,717
EXPENDITURES				
Salaries and benefits	50,911	-	12,410	2,028,858
Purchased services	7,177	46,467	500	627,177
Supplies and materials	2,711	33	890	144,993
Other objects	-	-	-	47
Capital outlay	-	-	-	22,374
Total Expenditures	60,799	46,500	13,800	2,823,449
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(22,599)	(13,851)	-	(234,732)
OTHER FINANCING SOURCES (USES):				
Transfer in	-	-	-	180,763
Transfer out	-	-	-	(189,059)
Total Other Financing Sources (Uses)	-	-	-	(8,296)
NET CHANGE IN FUND BALANCE	(22,599)	(13,851)	-	(243,028)
FUND BALANCE - BEGINNING, RESTATED	-	-	-	1,223,377
FUND BALANCE (DEFICIT) - ENDING	\$ (22,599)	\$ (13,851)	\$ -	\$ 980,349

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009 to June 30, 2010)
 EDUCATION FUND ACCOUNT
 ADULT EDUCATION PERFORMANCE
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
State sources	\$ 65,873	\$ 67,873	\$ 49,405
Total Revenues	<u>65,873</u>	<u>67,873</u>	<u>49,405</u>
EXPENDITURES			
Salaries and benefits	48,581	50,581	49,786
Purchased services	17,121	15,621	16,416
Supplies and materials	171	1,671	1,671
Total Expenditures	<u>65,873</u>	<u>67,873</u>	<u>67,873</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(18,468)</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,468)</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009 to June 30, 2010)
 EDUCATION FUND ACCOUNT
 ADULT EDUCATION PUBLIC ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
State sources	\$ 37,893	\$ 39,016	\$ 29,543
Total Revenues	<u>37,893</u>	<u>39,016</u>	<u>29,543</u>
EXPENDITURES			
Salaries and benefits	25,512	26,635	26,299
Purchased services	12,181	9,742	9,460
Supplies and materials	200	2,639	3,255
Total Expenditures	<u>37,893</u>	<u>39,016</u>	<u>39,014</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(9,471)</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,471)</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009 to June 30, 2010)
 EDUCATION FUND ACCOUNT
 ADULT EDUCATION STATE BASIC
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 25,950	\$ 27,073	\$ 20,585
Total Revenues	<u>25,950</u>	<u>27,073</u>	<u>20,585</u>
EXPENDITURES			
Salaries and benefits	20,690	21,813	21,570
Purchased services	4,380	3,040	3,181
Supplies and materials	880	2,220	2,323
Total Expenditures	<u>25,950</u>	<u>27,073</u>	<u>27,074</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(6,489)</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>1</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,488)</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009 to June 30, 2010)
 EDUCATION FUND ACCOUNT
 ADULT EDUCATION FEDERAL BASIC
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
Federal sources	\$ 23,711	\$ 23,711	\$ 23,711
Total Revenues	<u>23,711</u>	<u>23,711</u>	<u>23,711</u>
EXPENDITURES			
Salaries and benefits	23,321	23,321	22,804
Purchased services	-	-	147
Supplies and materials	390	390	760
Total Expenditures	<u>23,711</u>	<u>23,711</u>	<u>23,711</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING			
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009 to June 30, 2010)
 EDUCATION FUND ACCOUNT
 WIS-YEAR ROUND YOUTH PROGRAM I
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
Federal sources	\$ 23,711	\$ 23,711	\$ 60,784
Total Revenues	<u>23,711</u>	<u>23,711</u>	<u>60,784</u>
EXPENDITURES			
Salaries and benefits	23,321	23,321	49,645
Purchased services	-	-	8,664
Supplies and materials	390	390	2,475
Total Expenditures	<u>23,711</u>	<u>23,711</u>	<u>60,784</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2009 to June 30, 2010)
EDUCATION FUND ACCOUNT
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
State sources	\$ 268,105	\$ 268,105	\$ 178,745
Total Revenues	<u>268,105</u>	<u>268,105</u>	<u>178,745</u>
EXPENDITURES			
Salaries and benefits	220,136	220,136	218,217
Purchased services	41,969	41,969	42,688
Supplies and materials	6,000	6,000	7,200
Total Expenditures	<u>268,105</u>	<u>268,105</u>	<u>268,105</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(89,360)</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>1</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (89,359)</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009 to June 30, 2010)
 EDUCATION FUND ACCOUNT
 TITLE III ENGLISH LANGUAGE LEARNER
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 2,000	\$ 2,000	\$ 2,000
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
EXPENDITURES			
Salaries and benefits	-	-	-
Purchased services	900	900	100
Supplies and materials	1,100	1,100	1,900
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING			
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2009 to June 30, 2010)
EDUCATION FUND ACCOUNT
GIFTED PROGRAM
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
State sources	\$ 179,334	\$ 179,334	\$ 157,664
Total Revenues	<u>179,334</u>	<u>179,334</u>	<u>157,664</u>
EXPENDITURES			
Salaries and benefits	112,850	112,850	103,162
Purchased services	36,342	36,342	30,472
Supplies and materials	30,142	30,142	15,535
Total Expenditures	<u>179,334</u>	<u>179,334</u>	<u>149,169</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>8,495</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,495</u></u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009 to June 30, 2010)
 EDUCATION FUND ACCOUNT
 TITLE IV SAFE AND DRUG FREE SCHOOLS
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
Federal sources	\$ 500	\$ 500	\$ 500
Total Revenues	<u>500</u>	<u>500</u>	<u>500</u>
EXPENDITURES			
Purchased services	500	500	500
Total Expenditures	<u>500</u>	<u>500</u>	<u>500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009 to June 30, 2010)
 EDUCATION FUND ACCOUNT
 TITLE II TEACHER QUALITY
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
Federal sources	<u>\$ 3,103</u>	<u>\$ 3,103</u>	<u>\$ 3,103</u>
Total Revenues	<u>3,103</u>	<u>3,103</u>	<u>3,103</u>
EXPENDITURES			
Purchased services	<u>3,103</u>	<u>3,103</u>	<u>3,103</u>
Total Expenditures	<u>3,103</u>	<u>3,103</u>	<u>3,103</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>1,764</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,764</u>

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009 to June 30, 2010)
EDUCATION FUND ACCOUNT
REGIONAL SAFE SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
State sources	\$ 176,232	\$ 176,232	\$ 147,000
Total Revenues	<u>176,232</u>	<u>176,232</u>	<u>147,000</u>
EXPENDITURES			
Salaries and benefits	157,820	157,820	155,263
Purchased services	10,987	10,987	10,739
Supplies and materials	7,425	7,425	8,428
Capital outlay	-	-	1,802
Total Expenditures	<u>176,232</u>	<u>176,232</u>	<u>176,232</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>(29,232)</u>
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (29,232)</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009 to June 30, 2010)
 EDUCATION FUND ACCOUNT
 EARLY CHILDHOOD BLOCK GRANT
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 562,111	\$ 562,111	\$ 374,743
Total Revenues	<u>562,111</u>	<u>562,111</u>	<u>374,743</u>
EXPENDITURES			
Salaries and benefits	474,401	474,401	474,593
Purchased services	72,030	72,030	70,866
Supplies and materials	15,180	15,180	16,652
Capital outlay	500	500	-
Total Expenditures	<u>562,111</u>	<u>562,111</u>	<u>562,111</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(187,368)</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (187,368)</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009 to June 30, 2010)
 EDUCATION FUND ACCOUNT
 TITLE I READING FIRST PART B SEA
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
Federal sources	<u>\$ 18,715</u>	<u>\$ 18,715</u>	<u>\$ 18,715</u>
Total Revenues	<u>18,715</u>	<u>18,715</u>	<u>18,715</u>
EXPENDITURES			
Purchased services	<u>18,715</u>	<u>18,715</u>	<u>18,715</u>
Total Expenditures	<u>18,715</u>	<u>18,715</u>	<u>18,715</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009 to June 30, 2010)
 EDUCATION FUND ACCOUNT
 REGIONAL SYSTEM OF SUPPORT PROVIDER (RESPRO)
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 175,298	\$ 175,298	\$ 229,859
Total Revenues	<u>175,298</u>	<u>175,298</u>	<u>229,859</u>
EXPENDITURES			
Salaries and benefits	132,059	132,059	150,094
Purchased services	39,840	39,840	35,501
Supplies and materials	3,399	3,399	44,264
Total Expenditures	<u>175,298</u>	<u>175,298</u>	<u>229,859</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009 to June 30, 2010)
 EDUCATION FUND ACCOUNT
 TITLE II TEACHER QUALITY II
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 25,221	\$ 25,221	\$ 25,221
Total Revenues	<u>25,221</u>	<u>25,221</u>	<u>25,221</u>
EXPENDITURES			
Purchased services	15,000	15,000	11,443
Supplies and materials	10,221	10,221	13,778
Total Expenditures	<u>25,221</u>	<u>25,221</u>	<u>25,221</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009 to June 30, 2010)
 EDUCATION FUND ACCOUNT
 EARLY CHILDHOOD BLOCK GRANT II
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
State sources	\$ 91,800	\$ 91,800	\$ 61,200
Total Revenues	<u>91,800</u>	<u>91,800</u>	<u>61,200</u>
EXPENDITURES			
Salaries and benefits	80,731	80,731	81,039
Purchased services	8,424	8,424	8,272
Supplies and materials	2,645	2,645	2,489
Total Expenditures	<u>91,800</u>	<u>91,800</u>	<u>91,800</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(30,600)</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,600)</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009 to June 30, 2010)
 EDUCATION FUND ACCOUNT
 EARLY CHILDHOOD BLOCK GRANT - CONTINUING THREE TO FIVE
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
State sources	\$ 57,299	\$ 57,299	\$ 38,200
Total Revenues	<u>57,299</u>	<u>57,299</u>	<u>38,200</u>
EXPENDITURES			
Salaries and benefits	48,288	48,288	50,911
Purchased services	5,843	5,843	7,177
Supplies and materials	3,168	3,168	2,711
Total Expenditures	<u>57,299</u>	<u>57,299</u>	<u>60,799</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(22,599)</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,599)</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009 to June 30, 2010)
 EDUCATION FUND ACCOUNT
 PRESCHOOL FOR ALL
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
State sources	\$ 46,500	\$ 46,500	\$ 32,649
Total Revenues	<u>46,500</u>	<u>46,500</u>	<u>32,649</u>
EXPENDITURES			
Purchased services	46,000	46,000	46,467
Supplies and materials	500	500	33
Total Expenditures	<u>46,500</u>	<u>46,500</u>	<u>46,500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(13,851)</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,851)</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009 to June 30, 2010)
 EDUCATION FUND ACCOUNT
 HOMELESS CHILDREN YOUTH PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Federal sources	\$ 13,800	\$ 13,800	\$ 13,800
Total Revenues	<u>13,800</u>	<u>13,800</u>	<u>13,800</u>
EXPENDITURES			
Salaries and benefits	12,410	12,410	12,410
Purchased services	500	500	500
Supplies and materials	890	890	890
Total Expenditures	<u>13,800</u>	<u>13,800</u>	<u>13,800</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2010

	Institute	General Education Development	Film Library	Bus Permit	Supervisory
ASSETS					
Cash and cash equivalents	\$ 100,571	\$ 10,744	\$ 4,652	\$ 5,868	\$ 844
Due from other governments - Local	-	-	-	-	-
Accounts receivable	-	-	-	-	-
TOTAL ASSETS	\$ 100,571	\$ 10,744	\$ 4,652	\$ 5,868	\$ 844
LIABILITIES					
Accounts payable	\$ 179	\$ 1,430	\$ 84	\$ -	\$ -
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total Liabilities	179	1,430	84	-	-
FUND BALANCE					
Unreserved	100,392	9,314	4,568	5,868	844
Total Fund Balance	100,392	9,314	4,568	5,868	844
TOTAL LIABILITIES AND FUND BALANCE	\$ 100,571	\$ 10,744	\$ 4,652	\$ 5,868	\$ 844

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2010

	Regional Board of Trustees	Junior Achievement	Futures Pop Fund	St. Mary's Hospital School	Student Council
ASSETS					
Cash and cash equivalents	\$ 590	\$ 3,483	\$ 512	\$ 78,726	\$ 119
Due from other governments - Local	-	-	-	31,053	-
Accounts receivable	-	-	-	-	-
TOTAL ASSETS	\$ 590	\$ 3,483	\$ 512	\$ 109,779	\$ 119
LIABILITIES					
Accounts payable	-	-	-	404	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total Liabilities	-	-	-	404	-
FUND BALANCE					
Unreserved	590	3,483	512	109,375	119
Total Fund Balance	590	3,483	512	109,375	119
TOTAL LIABILITIES AND FUND BALANCE	\$ 590	\$ 3,483	\$ 512	\$ 109,779	\$ 119

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2010

	Recycling and Energy	Teachers' Exchange	Decatur Education Conference	Department of Corrections - GED Contract	Futures Foundation
ASSETS					
Cash and cash equivalents	\$ 12,033	\$ 107,448	\$ 147	\$ -	\$ 1,431
Due from other governments - Local	-	2,707	-	-	-
Accounts receivable	-	-	-	7,010	24,023
TOTAL ASSETS	\$ 12,033	\$ 110,155	\$ 147	\$ 7,010	\$ 25,454
LIABILITIES					
Accounts payable	\$ -	\$ 106,735	\$ 147	\$ 2,137	\$ -
Due to other funds	-	-	-	4,803	-
Deferred revenue	12,033	-	-	-	-
Total Liabilities	12,033	106,735	147	6,940	-
FUND BALANCE					
Unreserved	-	3,420	-	70	25,454
Total Fund Balance	-	3,420	-	70	25,454
TOTAL LIABILITIES AND FUND BALANCE	\$ 12,033	\$ 110,155	\$ 147	\$ 7,010	\$ 25,454

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2010

	Water Street Pop Fund	Baby Talk	TOTALS
ASSETS			
Cash and cash equivalents	\$ 305	\$ -	\$ 327,473
Due from other governments - Local	-	-	33,760
Accounts receivable	72	24,405	55,510
TOTAL ASSETS	\$ 377	\$ 24,405	\$ 416,743
LIABILITIES			
Accounts payable	\$ -	\$ 1,365	\$ 112,481
Due to other funds	-	23,040	27,843
Deferred revenue	-	-	12,033
Total Liabilities	-	24,405	152,357
FUND BALANCE			
Unreserved	377	-	264,386
Total Fund Balance	377	-	264,386
TOTAL LIABILITIES AND FUND BALANCE	\$ 377	\$ 24,405	\$ 416,743

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Institute	General Education Development	Film Library	Bus Permit	Supervisory
REVENUES					
Local sources	\$ 54,431	\$ 20,893	\$ 31,849	\$ 1,496	\$ -
State sources	-	-	-	1,140	2,000
Total Revenues	<u>54,431</u>	<u>20,893</u>	<u>31,849</u>	<u>2,636</u>	<u>2,000</u>
EXPENDITURES					
Salaries and benefits	-	22,720	28,034	-	-
Purchased services	11,739	6,482	4,664	1,791	1,669
Supplies and materials	157	4,580	160	19	-
Other objects	-	-	-	-	-
Total Expenditures	<u>11,896</u>	<u>33,782</u>	<u>32,858</u>	<u>1,810</u>	<u>1,669</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>42,535</u>	<u>(12,889)</u>	<u>(1,009)</u>	<u>826</u>	<u>331</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	-	-	-	-	-
Transfer out	(15,000)	-	-	-	-
Interest	-	-	5	-	-
Total Other Financing Sources (Uses)	<u>(15,000)</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	27,535	(12,889)	(1,004)	826	331
FUND BALANCE - BEGINNING, RESTATED	<u>72,857</u>	<u>22,203</u>	<u>5,572</u>	<u>5,042</u>	<u>513</u>
FUND BALANCE - ENDING	<u>\$ 100,392</u>	<u>\$ 9,314</u>	<u>\$ 4,568</u>	<u>\$ 5,868</u>	<u>\$ 844</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Regional Board of Trustees	Junior Achievement	Futures Pop Fund	St. Mary's Hospital School	Student Council
REVENUES					
Local sources	\$ -	\$ -	\$ 5,437	\$ 97,686	\$ -
State sources	-	-	-	-	-
Total Revenues	-	-	5,437	97,686	-
EXPENDITURES					
Salaries and benefits	-	-	-	87,987	-
Purchased services	3	-	-	5,413	-
Supplies and materials	-	-	5,243	229	-
Other objects	523	-	-	-	-
Total Expenditures	526	-	5,243	93,629	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(526)	-	194	4,057	-
OTHER FINANCING SOURCES (USES)					
Transfer in	-	-	-	8,296	-
Transfer out	-	-	-	-	-
Interest	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	8,296	-
NET CHANGE IN FUND BALANCE	(526)	-	194	12,353	-
FUND BALANCE - BEGINNING, RESTATED	1,116	3,483	318	97,022	119
FUND BALANCE - ENDING	\$ 590	\$ 3,483	\$ 512	\$ 109,375	\$ 119

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Recycling and Energy	Teachers' Exchange	Decatur Education Conference	Department of Corrections - GED Contract	Futures Foundation
REVENUES					
Local sources	\$ 7,052	\$ 321,198	\$ -	\$ -	\$ -
State sources	-	-	-	15,606	-
Total Revenues	7,052	321,198	-	15,606	-
EXPENDITURES					
Salaries and benefits	-	-	-	-	-
Purchased services	4,280	321,025	18,907	15,606	1,000
Supplies and materials	2,772	1	1,682	-	-
Other objects	-	-	-	-	-
Total Expenditures	7,052	321,026	20,589	15,606	1,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	172	(20,589)	-	(1,000)
OTHER FINANCING SOURCES (USES)					
Transfer in	-	-	15,000	-	-
Transfer out	-	-	-	-	-
Interest	-	-	-	-	2,714
Total Other Financing Sources (Uses)	-	-	15,000	-	2,714
NET CHANGE IN FUND BALANCE	-	172	(5,589)	-	1,714
FUND BALANCE - BEGINNING, RESTATED	-	3,248	5,589	70	23,740
FUND BALANCE - ENDING	\$ -	\$ 3,420	\$ -	\$ 70	\$ 25,454

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Water Street Pop Fund	Baby Talk	TOTALS
REVENUES			
Local sources	\$ 210	\$ 157,635	\$ 697,887
State sources		-	18,746
Total Revenues	210	157,635	716,633
EXPENDITURES			
Salaries and benefits	-	148,850	287,591
Purchased services	237	8,785	401,601
Supplies and materials	-	-	14,843
Other objects	-	-	523
Total Expenditures	237	157,635	704,558
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(27)	-	12,075
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	23,296
Transfer out	-	-	(15,000)
Interest	-	-	2,719
Total Other Financing Sources (Uses)	-	-	11,015
NET CHANGE IN FUND BALANCE	(27)	-	23,090
FUND BALANCE - BEGINNING, RESTATED	404	-	241,296
FUND BALANCE - ENDING	\$ 377	\$ -	\$ 264,386

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2010

	Distributive Fund	Project Success Fund	Heartland Region Fund	TOTALS
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 4,726	\$ 4,726
Due from other governments	1,040,776	-	446,423	1,487,199
TOTAL ASSETS	\$ 1,040,776	\$ -	\$ 451,149	\$ 1,491,925
LIABILITIES				
Due to other governments	\$ 1,040,776	\$ -	\$ 451,149	\$ 1,491,925
TOTAL LIABILITIES	\$ 1,040,776	\$ -	\$ 451,149	\$ 1,491,925

MACON/PLATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<u>Distributive Fund</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 2,826,981	\$ 2,826,981	\$ -
Due from other governments	-	1,040,776	-	1,040,776
Total Assets	\$ -	\$ 3,867,757	\$ 2,826,981	\$ 1,040,776
LIABILITIES				
Due to other governments	\$ -	\$ 3,867,757	\$ 2,826,981	\$ 1,040,776
Total Liabilities	\$ -	\$ 3,867,757	\$ 2,826,981	\$ 1,040,776
 <u>Project Success Fund</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 44,000	\$ 44,000	\$ -
Due from other governments	16,189	-	16,189	-
Total Assets	\$ 16,189	\$ 44,000	\$ 60,189	\$ -
LIABILITIES				
Due to other governments	\$ 16,189	\$ 44,000	\$ 60,189	\$ -
Total Liabilities	\$ 16,189	\$ 44,000	\$ 60,189	\$ -
 <u>Heartland Region Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 48,804	\$ 1,074,219	\$ 1,118,297	\$ 4,726
Due from other governments	2,141	446,423	2,141	446,423
Total Assets	\$ 50,945	\$ 1,520,642	\$ 1,120,438	\$ 451,149
LIABILITIES				
Due to other governments	\$ 50,945	\$ 1,520,642	\$ 1,120,438	\$ 451,149
Total Liabilities	\$ 50,945	\$ 1,520,642	\$ 1,120,438	\$ 451,149
 TOTALS				
ASSETS				
Cash and cash equivalents	\$ 48,804	\$ 3,945,200	\$ 3,989,278	\$ 4,726
Due from other governments	18,330	1,487,199	18,330	1,487,199
Total Assets	\$ 67,134	\$ 5,432,399	\$ 4,007,608	\$ 1,491,925
LIABILITIES				
Due to other governments	\$ 67,134	\$ 5,432,399	\$ 4,007,608	\$ 1,491,925
Total Liabilities	\$ 67,134	\$ 5,432,399	\$ 4,007,608	\$ 1,491,925

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, 2010

	Futures Unlimited		ROE #39	Total
	Heartland Region	Alternative		
General State Aid	\$ -	\$ -	\$ 832,673	\$ 832,673
Spec Education - Personnel	-	2,914	-	2,914
Career & Technical Ed Imp	325,065	-	-	325,065
Agricultural Education	18,245	-	-	18,245
Gifted Children Education	-	-	76,549	76,549
State Free Breakfast & Lunch	-	-	277	277
School Brkfst Incentive	-	-	11	11
School Bus Driver Training	-	-	1,140	1,140
Truants Alternative Optional Education	-	-	229,225	229,225
Regional Safe Schools	-	-	159,876	159,876
Early Childhood - Block Grant	-	-	628,537	628,537
ROE & ISC Operations	-	-	63,222	63,222
Supervisory Expense	-	-	2,000	2,000
Federal Lunch	-	-	3,559	3,559
Federal Breakfast	-	-	1,559	1,559
Title I - Reading First	-	-	17,779	17,779
Title IV - Safe & Drug Free Schools	-	-	500	500
VE Perkins Title IIC Sec	271,796	-	-	271,796
ARRA - General State Aid - Education	-	-	46,260	46,260
ARRA - General State Aid - Government	-	-	138,779	138,779
Title II - Teacher Quality	-	-	3,103	3,103
Other Federal Programs	-	-	3,912	3,912
TOTAL	\$ 615,106	\$ 2,914	\$ 2,208,961	\$ 2,826,981

FEDERAL COMPLIANCE SECTION

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/Pass Through Grantor, Program or Cluster Title	CFDA Number	Project # or Contract #	Expenditures 7/1/09-6/30/10
US Department of Education passed through Illinois State Board of Education			
Safe and Drug-Free Schools and Communities-State Grants Title IV - Safe and Drug Free Schools	84.186A	10-4400-00	\$ 500
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act ARRA - General State Aid	84.397	10-4870-93	6,603
ARRA - General State Aid	84.397	10-4870-92	39,657
Total CFDA 84.397			<u>46,260</u> (M)
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act ARRA - General State Aid	84.394	10-4850-92	118,970
ARRA - General State Aid	84.394	10-4850-93	19,809
Total CFDA 84.394			<u>138,779</u> (M)
Total State Fiscal Stabilization Fund (SFSF) Cluster			<u>185,039</u>
English Language Acquisition Grants Title III English Language Learner	84.365A	10-4999-PD	2,000
Reading First State Grants Title I Reading First Part B SEA	84.357A	10-4337-00	18,715
Total US Department of Education passed through Illinois State Board of Education			<u>206,254</u>
US Department of Labor passed through Macon County Workforce Investment Solutions			
WIS-Year Round Youth Program I	17.252	MPROE-08-1	60,784
Total US Department of Labor passed through Macon County Workforce Investment Solutions			<u>60,784</u>
US Department of Agriculture passed through Illinois State Board of Education			
National School Lunch Program	10.555	09-4210-00	686
National School Lunch Program	10.555	10-4210-00	2,873
Total National School Lunch Program			<u>3,559</u>
School Breakfast Program	10.553	09-4220-00	262
School Breakfast Program	10.553	10-4220-00	1,297
Total School Breakfast Program			<u>1,559</u>
Total US Department of Agriculture passed through Illinois State Board of Education			<u>5,118</u>
US Department of Education passed through Regional Office of Education #32			
Title I-Grants to Local Educational Agencies SOS Grant - Title I School Improvement Education for Homeless Children and Youth McKinney-Vento Homeless Children & Youth Program	84.010A	10-4331-55	229,859
	84.196	10-4920-00	13,800
US Department of Education passed through Illinois Community College Board			
Adult Education - Basic Grants to States Federal Adult Education Basic	84.002	537AA	23,711
Total U.S. Department of Education passed through Other Institutions			<u>267,370</u>
US Department of Education CFDA #84.367A passed through Regional Office of Education #32			
Improving Teacher Quality State Grants Title II Teacher Quality	84.367A	10-4935-00	25,221
passed through Illinois State Board of Education			
Improving Teacher Quality State Grants Title II Teacher Quality	84.367A	10-4932-00	3,103
Total U.S. Department of Education CFDA #84.367A			<u>28,324</u>
Total Expenditures of Federal Awards			<u>\$ 567,850</u>

(M) Program was audited as a major program.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of 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.

NOTE 2 - SUBRECIPIENTS

The Regional Office of Education #39 did not make any payments to subrecipients.

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAMS

ARRA – General State Aid – Education – This program accounts for the American Recovery and Reinvestment Act (ARRA) monies for salaries for educational programs.

ARRA – General State Aid – Government – This program accounts for the American Recovery and Reinvestment Act (ARRA) monies used for general salaries.

NOTE 4 - NON-CASH ASSISTANCE

None

NOTE 5 - AMOUNT OF INSURANCE

None

NOTE 6 - LOANS OR GUARANTEES OUTSTANDING

None