

**State of Illinois
MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
FINANCIAL AUDIT
For the Year Ended June 30, 2011**

**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, 2011

TABLE OF CONTENTS

	<u>PAGE</u>
Agency Officials	1
Financial 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
Schedule of Findings and Responses	
Section I - Summary of Auditor’s Results.....	9
Section II - Financial Statement Findings.....	10
Summary Schedule of Prior Audit Findings.....	11
Management’s Discussion and Analysis	12a-12f
 BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Assets.....	13
Statement of Activities	14
 Fund Financial Statements	
Balance Sheet - Governmental Funds.....	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets – Governmental Funds	16

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
TABLE OF CONTENTS
JUNE 30, 2011

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Funds.....	18
Statement of Net Assets - Proprietary Fund	19
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Fund	20
Statement of Cash Flows - Proprietary Fund.....	21
Statement of Fiduciary Net Assets - Fiduciary Fund.....	22
Notes to the Financial Statements	23-55
REQUIRED SUPPLEMENTARY INFORMATION	
Illinois Municipal Retirement Fund Schedule of Funding Progress	56
OTHER SUPPLEMENTAL INFORMATION	
Combining Schedule of Accounts General Fund	57-61
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund Accounts	62-66
Combining Schedule of Accounts Education Fund.....	67-72
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Education Fund Accounts.....	73-78
Budgetary Comparison Schedules Education Fund	
Adult Education Performance	79
Adult Education Public Assistance	80
Adult Education State Basic	81
Adult Education Federal Basic	82
WIS-Year Round Youth Program I	83

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
TABLE OF CONTENTS
JUNE 30, 2011

Truants Alternative/Optional Education.....	84
Gifted Program	85
ROE/ISC Operations	86
Title II Teacher Quality	87
Regional Safe Schools.....	88
Early Childhood Block Grant.....	89
Regional System of Support Provider (RESPRO)	90
Early Childhood Block Grant II.....	91
Early Childhood Block Grant-Continuing Three to Five	92
Homeless Children Youth Program.....	93
New Principals Mentoring.....	94
ARRA-Title I-School Improvement and Accountability.....	95
Combining Balance Sheet	
Non-major Special Revenue Funds	96
Combining Statement of Revenues, Expenditures and Changes in	
Fund Balances - Non-major Special Revenue Funds	97
Combining Statement of Fiduciary Net Assets	
Agency Funds.....	98
Combining Statement of Changes in Assets and Liabilities	
Agency Funds.....	99
Schedule of Disbursements to School District Treasurers and	
Other Entities - Distributive Fund	100

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
JUNE 30, 2011

OFFICIALS

Regional Superintendent
(Current and During the Audit Period)

Mr. Matthew Snyder

Assistant Regional Superintendent (Current)

No Current Assistant Regional
Superintendent

Assistant Regional Superintendent
(During the Audit Period, Acting Effective July 1, 2010
through August 15, 2011)

Mr. Matt Andrews

Office is located at:

1690 Huston Dr.
Decatur, IL 62526

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 JUNE 30, 2011

FINANCIAL REPORT SUMMARY

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

AUDITORS' REPORTS

The auditors' reports 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	0	3
Repeated audit findings	0	0
Prior recommendations implemented Or not repeated	3	0

An additional two matters which are less than significant deficiencies or material weaknesses but more than inconsequential which 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 RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
-----------------	-------------	--------------------	---------------------

FINDINGS (*GOVERNMENT AUDITING STANDARDS*)

NONE

PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

10-01	Departure from Generally Accepted Accounting Principles	Material Weakness
10-02	Controls Over Financial Statement Preparation	Material Weakness
10-03	Improper Recording of Reimbursements and Administrative Fees Between Programs	Material Weakness

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
JUNE 30, 2011

FINANCIAL REPORT SUMMARY (Concluded)

EXIT CONFERENCE

An informal exit conference was held on September 29, 2011. There were no audit findings to discuss. Attending were Matt Snyder, Regional Superintendent, Ann Neal, Director of Business Operations, and Matt Price, Kemper CPA Group LLP.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
JUNE 30, 2011

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Regional Office of Education #39 was performed by Kemper CPA Group LLP, Certified Public Accountants and Consultants.

Based on their audit, the auditors expressed an unqualified 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, 2011, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Macon/Piatt Counties Regional Office of Education #39, as of June 30, 2011, 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.

As described in Note 1, the Regional Office of Education #39 adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended June 30, 2011. The statement changed the classifications of governmental fund balances and clarified the definitions of existing fund types. The adoption of this statement had no effect on the any of Regional Office of Education #39's governmental funds' assets or liabilities nor was there any effect to the total amount of any of Regional Office of Education #39's governmental fund balances as of and for the year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 19, 2012 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 12a through 12f and 56 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 Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kemper CPA Group LLP

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
March 19, 2012

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, 2011, which collectively comprise the Regional Office of Education #39's basic financial statements and have issued our report thereon dated March 19, 2012. 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

Management of the Regional Office of Education #39 is responsible for establishing and maintaining effective 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.

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 noted certain matters which we have reported to management of the Regional Office of Education #39 in a separate letter dated March 19, 2012.

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
March 19, 2012

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 SCHEDULE OF FINDINGS AND RESPONSES
 JUNE 30, 2011

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
● Material weakness(es) identified?	No
● Significant deficiency(ies)?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
● Material weakness(es) identified?	N/A
● Significant deficiency(ies)?	
Type of auditor's report issued on compliance for major programs:	N/A
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	N/A

Identification of **major** programs:

CFDA Number(s)	Name of Federal Program or Cluster
N/A	N/A

Dollar threshold used to distinguish between Type A and Type B programs:	N/A
Auditee qualified as a low-risk auditee?	N/A

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no audit findings for the year ended June 30, 2011.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
SCHEDULE OF FINDINGS AND RESPONSES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
10-01	Departure from Generally Accepted Accounting Principles	Corrected
10-02	Controls Over Financial Statement Preparation	Corrected
10-03	Improper Recording of Reimbursements and Administrative Fees Between Programs	Corrected

MANAGEMENT'S DISCUSSION AND ANALYSIS

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

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, 2011. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements which follows.

2011 Financial Highlights

- Within the Governmental Funds, the General Fund revenues increased by \$2,313,833 from \$1,047,144 in fiscal year 2010 to \$3,360,977 in FY11. General Fund expenditures increased by \$2,000,104 from \$1,097,010 in FY10 to \$3,097,114 in FY11.
- Within the Governmental Funds, the Education Fund and Non-Major Funds revenue decreased by \$1,060,115 from \$3,305,350 in FY10 to \$2,245,235 in FY11. The Special Revenue Fund expenditures decreased by \$1,513,510 from \$3,528,007 in FY10 to \$2,014,497 in FY11.
- Within the Proprietary Funds, revenues decreased \$1,295 from \$10,626 in FY10 to \$9,331 in FY11. Expenditures decreased \$3,818 from \$14,854 in FY10 to \$11,036 in FY11.
- During fiscal year 2011 the Regional Office of Education #39 implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which required certain programs and funds to be reclassified and the restatement of beginning fund balances as detailed in Note 15 to the financial statements. Because of these reclassifications the fund analysis is not comparable between fiscal year 2010 and fiscal year 2011.

Using This Report

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

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

Reporting the office as a Whole

The Statement of Net Assets and the Statement of Activities

The Government-wide statements report information about the Regional Office of Education #39 as a whole. The Statement of Net Assets includes all of the assets and liabilities. All of the current year

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

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 all 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 non major 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.

The proprietary funds' required financial statements including 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.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

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 FY11 totaled approximately \$2,961,145. The analysis that follows provides a summary of the Office's net assets at June 30, 2011 and 2010.

CONDENSED STATEMENT OF NET ASSETS
June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current assets	\$3,158,016	\$2,922,441	\$ 7,523	\$10,711	\$3,165,539	\$2,933,152
Noncurrent, net	82,203	104,466	1,001	2,267	83,204	106,733
Total assets	<u>3,240,219</u>	<u>3,026,907</u>	<u>8,524</u>	<u>12,978</u>	<u>3,248,743</u>	<u>3,039,885</u>
Current liabilities	284,083	263,978	50	2,799	284,133	266,777
Long-term liabilities	3,465	7,681	-	-	3,465	7,681
Total liabilities	<u>287,548</u>	<u>271,659</u>	<u>50</u>	<u>2,799</u>	<u>287,598</u>	<u>274,458</u>
Net assets:						
Invested in capital assets	82,203	104,466	1,001	2,267	83,204	106,733
Restricted for educational purposes	94,586	100,392	-	-	94,586	100,392
Unrestricted	2,775,882	2,550,390	7,473	7,912	2,783,355	2,558,302
Total net assets	<u>\$2,952,671</u>	<u>\$2,755,248</u>	<u>\$ 8,474</u>	<u>\$10,179</u>	<u>\$2,961,145</u>	<u>\$2,765,427</u>

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

The following analysis shows the changes in net assets for the years ended June 30, 2011 and 2010.

CHANGES IN NET ASSETS
For the Years Ended June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 9,331	\$ 10,626	\$ 9,331	\$ 10,626
Operating grants & contributions	1,907,874	1,274,521	-	-	1,907,874	1,274,521
General revenues:						
Local sources	1,794,247	1,152,754	-	-	1,794,247	1,152,754
State sources	1,060,534	1,635,816	-	-	1,060,534	1,635,816
Federal sources	-	185,039	-	-	-	185,039
Administrative:						
On-behalf payments - State	582,094	574,480	-	-	582,094	574,480
Interest	5,301	4,099	-	-	5,301	4,099
Total revenues	<u>5,350,050</u>	<u>4,826,709</u>	<u>9,331</u>	<u>10,626</u>	<u>5,359,381</u>	<u>4,837,335</u>
Expenses:						
Program expenses:						
Instructional services:						
Salaries & benefits	3,013,006	2,614,353	-	-	3,013,006	2,614,353
Purchased services	1,315,636	1,149,030	-	-	1,315,636	1,149,030
Supplies & materials	202,652	196,463	-	-	202,652	196,463
Other objects	719	2,745	-	-	719	2,745
Depreciation	37,930	28,218	-	-	37,930	28,218
Administrative:						
On-behalf payments - State	582,094	574,480	-	-	582,094	574,480
Business-type expenses	-	-	11,036	14,854	11,036	14,854
Total expenses	<u>5,152,037</u>	<u>4,565,289</u>	<u>11,036</u>	<u>14,854</u>	<u>5,163,073</u>	<u>4,580,143</u>
Change in net assets	198,013	261,420	(1,705)	(4,228)	196,308	257,192
Net assets, beginning of year	<u>2,754,658</u>	<u>2,493,828</u>	<u>10,179</u>	<u>14,407</u>	<u>2,764,837</u>	<u>2,508,235</u>
Net assets, end of year	<u>\$ 2,952,671</u>	<u>\$ 2,755,248</u>	<u>\$ 8,474</u>	<u>\$ 10,179</u>	<u>\$ 2,961,145</u>	<u>\$ 2,765,427</u>

Governmental Activities

Revenues for governmental activities were \$5,350,050 and expenses were \$5,152,037. The Regional Office of Education #39 experienced an increase in net assets of \$198,013. The increase was a result of

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

adding two School Improvement Grants, ARRA Title I School improvement, and the ARRA Education Jobs Fund Programs.

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 \$2,665,280 for FY11, an increase of \$499,313 over FY10 fund balance of \$ 2,165,967.

Governmental Fund Highlights:

- County support for the Regional Office of Education #39 remained at FY10 levels in FY11.
- The State aid foundation level remained at \$6,119 for FY11. This helped with the reduction of grant dollars provided for the Future's Program, the Adult Education Program, and the Regional Safe School.
- Became fiscal agent for the Illinois Association of Regional Superintendents of Schools School Improvement Grant resulting in an increase of funds.

Proprietary Fund Highlights:

- In FY11, the Regional Office offered 43 administrator and teacher workshops. As of July 1, 2011, the Regional Office anticipates having at least 38 workshops in FY12.
- The Regional Office of Education used the Institute Fund to pay for several workshops during FY11. 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. The Resource Library Cooperative budget and the Heartland Vocational Cooperative budget are prepared by the Regional Superintendent or program coordinator and serve as a guideline for activities and expenditures. These two entities are considered separate from the Regional Office. They are audited on an annual basis by outside auditing firms and budgets are submitted to the Illinois State Board of Education and the Illinois Community College Board. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the two County Boards for their approval. The Office Operations budget covers a fiscal year which runs from December 1 to November 30. 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, 2011

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 activities net capital assets for FY11 were \$82,203 and for FY10 were \$104,466. The decrease was due to many ISBE approved budgets not including purchasing of equipment; budgets were used for personnel salaries and benefits.

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 Illinois State Board of Education-Regional Safe Schools Program, Truants Alternative/Optional Education Program, and School Services.
- County funding for FY12 will likely decrease from the FY11 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 Sandoval, DePue, and Egyptian school districts through the Illinois State Board of Education and Administrative Agent for Heartland Region Education for Employment.
- Resource Loan Library ceased operations as of June 30, 2011.

Contacting the Regional Office's Financial Management

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

BASIC FINANCIAL STATEMENTS

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,690,181	\$ 7,523	\$ 1,697,704
Due from other governments:			
Local	536,215	-	536,215
State	840,373	-	840,373
Federal	47,489	-	47,489
Accounts receivable	43,758	-	43,758
Total current assets	<u>3,158,016</u>	<u>7,523</u>	<u>3,165,539</u>
Noncurrent assets:			
Capital assets, being depreciated, net	82,203	1,001	83,204
Total noncurrent assets	<u>82,203</u>	<u>1,001</u>	<u>83,204</u>
TOTAL ASSETS	<u>3,240,219</u>	<u>8,524</u>	<u>3,248,743</u>
LIABILITIES			
Current liabilities:			
Accounts payable	282,632	50	282,682
Deferred revenue	1,451	-	1,451
Total current liabilities	<u>284,083</u>	<u>50</u>	<u>284,133</u>
Noncurrent liabilities:			
Liability for compensated absences	3,465	-	3,465
TOTAL LIABILITIES	<u>287,548</u>	<u>50</u>	<u>287,598</u>
NET ASSETS			
Invested in capital assets	82,203	1,001	83,204
Restricted for educational purposes	94,586	-	94,586
Unrestricted	2,775,882	7,473	2,783,355
TOTAL NET ASSETS	<u>\$ 2,952,671</u>	<u>\$ 8,474</u>	<u>\$ 2,961,145</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, 2011

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	\$ 3,013,006	\$ -	\$ 1,450,507	\$ (1,562,499)	\$ -	\$ (1,562,499)
Purchased services	1,315,636	-	311,684	(1,003,952)	-	(1,003,952)
Supplies and materials	202,652	-	130,016	(72,636)	-	(72,636)
Other objects	719	-	-	(719)	-	(719)
Depreciation expense	37,930	-	-	(37,930)	-	(37,930)
Capital outlay	-	-	15,667	15,667	-	15,667
Administrative:						
On-behalf payments - State	582,094	-	-	(582,094)	-	(582,094)
Total Governmental Activities	<u>5,152,037</u>	<u>-</u>	<u>1,907,874</u>	<u>(3,244,163)</u>	<u>-</u>	<u>(3,244,163)</u>
Business-Type Activities:						
Workshop fees	11,036	9,331	-	-	(1,705)	(1,705)
Total Business-Type Activities	<u>11,036</u>	<u>9,331</u>	<u>-</u>	<u>-</u>	<u>(1,705)</u>	<u>(1,705)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 5,163,073</u>	<u>\$ 9,331</u>	<u>\$ 1,907,874</u>	<u>(3,244,163)</u>	<u>(1,705)</u>	<u>(3,245,868)</u>
GENERAL REVENUES:						
Local sources				1,794,247	-	1,794,247
State sources				1,060,534	-	1,060,534
On-behalf payments - State				582,094	-	582,094
Investment earnings				5,301	-	5,301
				<u>3,442,176</u>	<u>-</u>	<u>3,442,176</u>
CHANGE IN NET ASSETS				198,013	(1,705)	196,308
NET ASSETS - BEGINNING, RESTATED				<u>2,754,658</u>	<u>10,179</u>	<u>2,764,837</u>
NET ASSETS - ENDING				<u>\$ 2,952,671</u>	<u>\$ 8,474</u>	<u>\$ 2,961,145</u>

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, 2011

	General Fund	Education Fund	Non-Major Funds	Eliminations	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,593,626	\$ 394	\$ 96,161	\$ -	\$ 1,690,181
Due from other funds	1,017,279	-	-	(1,017,279)	-
Due from other governments:					
Local	536,215	-	-	-	536,215
State	-	840,373	-	-	840,373
Federal	-	47,489	-	-	47,489
Accounts receivable	43,758	-	-	-	43,758
TOTAL ASSETS	\$ 3,190,878	\$ 888,256	\$ 96,161	\$ (1,017,279)	\$ 3,158,016
LIABILITIES					
Accounts payable	\$ 207,697	\$ 72,966	\$ 1,969	\$ -	\$ 282,632
Due to other funds	202,383	814,896	-	(1,017,279)	-
Deferred revenue	1,451	208,653	-	-	210,104
Total Liabilities	411,531	1,096,515	1,969	(1,017,279)	492,736
FUND BALANCES (DEFICIT)					
Restricted	-	394	94,192	-	94,586
Assigned	38,088	-	-	-	38,088
Unassigned	2,741,259	(208,653)	-	-	2,532,606
Total Fund Balances (Deficit)	2,779,347	(208,259)	94,192	-	2,665,280
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,190,878	\$ 888,256	\$ 96,161	\$ (1,017,279)	\$ 3,158,016

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, 2011

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS	\$ 2,665,280
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.	82,203
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(3,465)
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>208,653</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 2,952,671</u></u>

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

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Education Fund	Non-Major Funds	Eliminations	Total Governmental Funds
REVENUES					
Local sources	\$ 1,739,622	\$ -	\$ 54,625	\$ -	\$ 1,794,247
State sources	1,034,383	1,712,095	1,140	-	2,747,618
On-behalf payments - State	582,094	-	-	-	582,094
Federal sources	4,878	477,375	-	-	482,253
Total Revenues	<u>3,360,977</u>	<u>2,189,470</u>	<u>55,765</u>	<u>-</u>	<u>5,606,212</u>
EXPENDITURES					
Instructional Services:					
Salaries and benefits	1,527,256	1,470,787	19,179	-	3,017,222
Purchased services	945,617	297,238	50,402	-	1,293,257
Supplies and materials	41,428	152,814	8,410	-	202,652
Other objects	719	-	-	-	719
On-behalf payments - State	582,094	-	-	-	582,094
Capital outlay	-	15,667	-	-	15,667
Total Expenditures	<u>3,097,114</u>	<u>1,936,506</u>	<u>77,991</u>	<u>-</u>	<u>5,111,611</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>263,863</u>	<u>252,964</u>	<u>(22,226)</u>	<u>-</u>	<u>494,601</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	231,373	-	-	(231,373)	-
Transfers out	(229,545)	(1,828)	-	231,373	-
Interest	5,301	-	-	-	5,301
Total Other Financing Sources (Uses)	<u>7,129</u>	<u>(1,828)</u>	<u>-</u>	<u>-</u>	<u>5,301</u>
NET CHANGE IN FUND BALANCE	270,992	251,136	(22,226)	-	499,902
FUND BALANCE (DEFICIT) - BEGINNING, RESTATED	<u>2,508,355</u>	<u>(459,395)</u>	<u>116,418</u>	<u>-</u>	<u>2,165,378</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 2,779,347</u>	<u>\$ (208,259)</u>	<u>\$ 94,192</u>	<u>\$ -</u>	<u>\$ 2,665,280</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, 2011

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ 499,902

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	\$ 15,667	
Depreciation expense	<u>(37,930)</u>	(22,263)

Prior year's prepaid expenses were recognized as capital assets in the government-wide financial statements; however, they are recognized as current year expenditures in the governmental funds.

(22,379)

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

4,216

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.

FY10 deferred revenue recognized in FY11	\$ (470,116)	
FY11 revenue deferred	<u>208,653</u>	<u>(261,463)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 198,013

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

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 STATEMENT OF NET ASSETS
 PROPRIETARY FUND
 JUNE 30, 2011

	Business-Type Activities - Enterprise Fund	
	Workshop Reimbursement	Total
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 7,523	\$ 7,523
Total current assets	7,523	7,523
Noncurrent assets:		
Capital assets, net	1,001	1,001
TOTAL ASSETS	8,524	8,524
Current Liabilities:		
Accounts payable	50	50
TOTAL LIABILITIES	50	50
NET ASSETS		
Invested in capital assets	1,001	1,001
Unrestricted	7,473	7,473
TOTAL NET ASSETS	\$ 8,474	\$ 8,474

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, 2011

	Business-Type Activities - Enterprise Fund	
	Workshop Reimbursement	Total
OPERATING REVENUES		
Workshop fees	\$ 9,331	\$ 9,331
Total Operating Revenues	9,331	9,331
OPERATING EXPENSES		
Salaries and benefits	1,141	1,141
Purchased services	3,992	3,992
Supplies and materials	4,637	4,637
Depreciation	1,266	1,266
Total Operating Expenses	11,036	11,036
CHANGE IN NET ASSETS	(1,705)	(1,705)
TOTAL NET ASSETS - BEGINNING	10,179	10,179
TOTAL NET ASSETS - ENDING	\$ 8,474	\$ 8,474

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, 2011

	Business-Type Activities - Enterprise Fund	
	Workshop Reimbursement	Total
Cash Flows from Operating Activities:		
Receipts from customers	\$ 9,331	\$ 9,331
Payments to suppliers and providers of goods and services	(11,378)	(11,378)
Payments to employees	(1,141)	(1,141)
Net Cash Provided by (Used for) Operating Activities	(3,188)	(3,188)
 Net Increase (Decrease) in Cash	 (3,188)	 (3,188)
 Cash and cash equivalents - Beginning	 10,711	 10,711
Cash and cash equivalents - Ending	\$ 7,523	\$ 7,523
 Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Operating Income (Loss)	\$ (1,705)	\$ (1,705)
 Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	1,266	1,266
Decrease in accounts payable	(2,749)	(2,749)
Net Cash Provided by (Used for) Operating Activities	\$ (3,188)	\$ (3,188)

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, 2011

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,341
Due from other governments	<u>1,639,287</u>
TOTAL ASSETS	<u><u>\$ 1,640,628</u></u>
 LIABILITIES	
Due to other governments	<u>\$ 1,640,628</u>
TOTAL LIABILITIES	<u><u>\$ 1,640,628</u></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, 2011

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 2011, the Regional Office of Education #39 implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, GASB Statement No. 59, *Financial Instruments Omnibus*, and GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Regional Office of Education #39 implemented these standards during the current year; however, GASB Statements No. 59 and 62 had no impact on the financial statements. The implementation of GASB Statement No. 54 changed fund balance reporting for governmental funds by adding some additional fund balance classifications, clarifying governmental fund type definitions, and providing additional disclosures on how fund balance constraints are imposed and may be modified or eliminated.

A. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through March 19, 2012, the date when the financial statements were available to be issued.

B. 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.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FINANCIAL REPORTING ENTITY (Concluded)

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.

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, 2011, 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).

C. 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, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. 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 focus 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, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. 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.

F. 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.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. 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.

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 restricted funds to such programs, and then unrestricted funds. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned funds if any.

H. 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.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

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 is used to account for all financial resources 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.

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.

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.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund (Continued)

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

Adult Education - The program accounts for General State Aid proceeds used for adult education. Funding is also provided by the Macon County Health Board.

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

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

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.

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.

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.

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

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund (Concluded)

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

School Improvement - This fund accounts for activities related to an agreement between the Regional Office and Egyptian and DePue school districts. The Regional Office provides services to the two school districts through the parameters set by the School Improvement Grant - Section 1003(g).

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 restricted to expenditures for specified purposes. Major Special Revenue Funds include the following:

Education Fund - This fund is used to account for and report the proceeds of specific revenue sources that are restricted by grant agreements or contracts to expenditures for specified purposes 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 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.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Major Special Revenue Funds (Continued)

Education Funds (Continued)

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.

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.

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.

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.

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.

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.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Major Special Revenue Funds (Continued)

Education Funds (Continued)

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

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.

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.

New Principals Mentoring - This program provides for the selection and training of experienced principals to serve as mentors for new principals and for the new principals' participation in the mentoring program designed for them. Funds flow through the Illinois Principals Association for the Illinois State Board of Education.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Concluded)

Major Special Revenue Funds (Concluded)

Education Funds (Concluded)

American Recovery and Reinvestment (ARRA) - Title I - School Improvement and Accountability - This program accounts for monies received from the government to support Title I school improvement services for schools in academic difficulty.

American Recovery and Reinvestment (ARRA) - Education Jobs - Accounts for the federal funding provided to LEAs to save or create education jobs for school year 2010-2011.

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 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.

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.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Concluded)

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.

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.

Regional Board of Trustees - This program accounts for receipts and disbursements related to school annexation, consolidations, and school grievances.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. GOVERNMENTAL FUND BALANCES

Fund balance is the difference between assets and liabilities in a governmental fund. The following types of fund balances may be presented in the Governmental Funds Balance Sheet and Governmental Funds Combining Schedule of Accounts:

Nonspendable Fund Balance - The portion of a Governmental Fund's net assets that are not available to be spent, either short term or long term, due to either their form or legal restrictions. The Regional Office of Education #39 has no nonspendable fund balances.

Restricted Fund Balance - The portion of a Governmental Fund's net assets that are subject to external enforceable legal restrictions. The following account fund balance is restricted by grant agreements or contracts: Not on Tobacco. The following funds are restricted by Illinois Statute: Institute Fund, General Education Development Fund, and Bus Permit Fund.

Committed Fund Balance - The portion of a Governmental Fund's net assets with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Regional Office of Education #39 has no committed fund balances.

Assigned Fund Balance - The portion of a Governmental Fund's net assets for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The Regional Office of Education #39 has assigned fund balances in the Film Library, Junior Achievement, Futures Pop Fund, Student Council, and Futures Foundation programs.

Unassigned Fund Balance - Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The Regional Office of Education #39 has unassigned fund balances (deficits) in the General, Business Office, Water Street Pop Fund, Adult Education, ADA State Aid, St. Mary's Hospital School, Teachers' Exchange, General State Aid & Lunch & Breakfast, Department of Corrections-GED Contract, Adult Education Performance, Adult Education Public Assistance, Adult Education State Basic, Adult Education Transition Center, Truants Alternative/Optional Education, ROE/ISC Operations, Early Childhood Block Grant, Early Childhood Block Grant II, Early Childhood Block Grant-Continuing Three to Five, and New Principals Mentoring.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. 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."

K. 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.

L. INVENTORY

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

M. 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.

N. 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.

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. CAPITAL ASSETS (Concluded)

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.

O. 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.

P. 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: Adult Education Performance, Adult Education Public Assistance, Adult Education State Basic, Adult Education Federal Basic, WIS-Year Round Youth Program I, Truants Alternative/Optional Education

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

P. BUDGET INFORMATION (Concluded)

Program, Gifted Program, ROE/ISC Operations, Title II Teacher Quality, Regional Safe Schools, Early Childhood Block Grant, Regional System of Support Provider (RESPRO), Early Childhood Block Grant II, Early Childhood Block Grant-Continuing Three to Five, Homeless Children Youth Program, New Principals Mentoring, and ARRA-Title I-School Improvement and Accountability.

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, 2011, the carrying amount of the Regional Office of Education #39's government-wide and Agency Fund deposits were \$1,697,704 and \$1,341, respectively, and the bank balances were \$1,779,872 and \$1,341, respectively. Of the total bank balances as of June 30, 2011, \$261,879 was secured by federal depository insurance. For the period from December 31, 2010 through December 31, 2012, the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) provides separate and unlimited deposit insurance coverage for accounts that meet the definition of a 'noninterest-bearing account.' This unlimited coverage for such accounts is separate from the \$250,000 coverage provided for other types of accounts. At June 30, 2011, the Regional Office had bank deposits of \$1,503,763 in excess of the \$250,000 FDIC coverage which were covered under the Dodd-Frank Act.

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, 2011

NOTE 2 - CASH (Concluded)

B. INVESTMENTS

The Regional Office of Education #39's only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2011, the Regional Office of Education #39 had investments with carrying and fair values of \$10,261 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, 2011, 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, 2011

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 statute requires 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 2010 was 7.95 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. The required contribution for calendar year 2010 was \$54,052.

THREE YEAR TREND INFORMATION FOR THE REGULAR PLAN

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/10	\$ 54,052	100%	\$ -
12/31/09	86,485	100%	-
12/31/08	135,605	100%	-

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, 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 Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education #39's Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 10 year basis.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Concluded)

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 89.87 percent funded. The actuarial accrued liability for benefits was \$1,997,317 and the actuarial value of assets was \$1,794,952, resulting in an underfunded actuarial accrued liability (UAAL) of \$202,365. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$679,898 and the ratio of the UAAL to the covered payroll was 30 percent.

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

NOTE 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, 2011, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. 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, 2010 and 2009.

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, 2011, the State of Illinois contributions were based on 23.10 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #39 recognized revenue and expenditures of \$329,432 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2010, and June 30, 2009, the State of Illinois contribution rates as percentages of creditable earnings, not paid from federal funds were 23.38 percent (\$357,235) and 17.08 percent (\$489,364), respectively.

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

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

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

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, 2011, were \$9,889. Contributions for the years ending June 30, 2010, and June 30, 2009, were \$8,154 and \$19,480, 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, 2011, the employer pension contribution was 23.10 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2010 and 2009, the employer contribution was 23.38 and 17.08 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2011, salaries totaling \$470,564 were paid from federal and special trust funds that required employer contributions of \$108,700. For the years ended June 30, 2010 and 2009, required Regional Office of Education #39 contributions were \$14,496 and \$84,170, 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.

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

For the years ended June 30, 2011, 2010, and 2009, the Regional Office of Education #39 paid no contributions to TRS for employer contributions under the ERO program.

Salary increases over 6 percent and excess sick leave. 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, 2011, 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, 2010 and 2009, the Regional Office of Education #39 paid no employer contributions due on salary increases in excess of 6 percent.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

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

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 (18.03 percent of salary during the year ended June 30, 2011, as recertified pursuant to Public Act 96-1511).

For the year ended June 30, 2011, 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, 2010 and 2009, the Regional Office of Education #39 paid no employer contributions granted for sick leave days.

Further information of TRS. 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, 2010. The report for the year ended June 30, 2011, is expected to be available in late 2011.

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

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 Fund.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5 - TEACHERS' HEALTH INSURANCE SYSTEM (Concluded)

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 0.88 percent of pay during the year ended June 30, 2011. State of Illinois contributions were \$15,006, and the Regional Office of Education #39 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the year ended June 30, 2010, was 0.84 percent of pay. State contributions on behalf of the Regional Office of Education #39 employees were \$11,811.

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

Employer contributions to THIS Fund. The employer (Regional Office of Education #39) also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.66 percent during the year ended June 30, 2011, and 0.63 percent during the years ended June 30, 2010, and June 30, 2009. For the year ended June 30, 2011, the Regional Office of Education #39 paid \$11,254, to the THIS Fund. For the year ended June 30, 2010, the Regional Office of Education #39 paid \$8,858 which was 100% percent of the required contribution.

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 - 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, 2011

NOTE 7 - ON BEHALF PAYMENTS

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

Regional Superintendent Salary	\$ 100,762
Assistant Regional Superintendent Salary	90,686
Regional Superintendent Benefits (Includes State paid insurance)	21,892
Assistant Regional Superintendent Benefits (Includes State paid insurance)	24,316
TRS Pension Contribution	329,432
Teachers' Health Insurance System (THIS) Contribution	<u>15,006</u>
Total	<u>\$ 582,094</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 8 - 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, 2010	\$ 7,681
Net change in liability	<u>(4,216)</u>
Balance at June 30, 2011	<u>\$ 3,465</u>

NOTE 9 - 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, 2011:

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 9 - CAPITAL ASSETS (Concluded)

	Balance 7/1/2010	Additions	Disposals	Balance 6/30/2011
Governmental Activities				
<u>General Fund</u>				
Leasehold improvements	\$ 45,000	\$ -	\$ -	\$ 45,000
Equipment and furniture	131,910	-	-	131,910
<u>Education Fund</u>				
Equipment and furniture	273,342	15,667	-	289,009
Governmental Activities				
Total Capital Assets	450,252	15,667	-	465,919
Less: Accumulated Depreciation	(345,786)	(37,930)	-	(383,716)
Governmental Activities				
Investment in Capital Assets, Net	<u>\$ 104,466</u>	<u>\$ (22,263)</u>	<u>\$ -</u>	<u>\$ 82,203</u>
Business-Type Activities				
<u>Enterprise Fund</u>				
Equipment and furniture	\$ 5,555	\$ -	\$ -	\$ 5,555
Business-Type Activities				
Total Capital Assets	5,555	-	-	5,555
Less: Accumulated Depreciation	(3,288)	(1,266)	-	(4,554)
Business-Type Activities				
Investment in Capital Assets, Net	<u>\$ 2,267</u>	<u>\$ (1,266)</u>	<u>\$ -</u>	<u>\$ 1,001</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, 2011 of \$37,930 and \$1,266 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.

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 10 - INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Inter-fund due to/from other fund balances at June 30, 2011 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	\$ 1,017,279	\$ 202,383
Education Fund	-	814,896
Total	<u>\$ 1,017,279</u>	<u>\$ 1,017,279</u>

TRANSFERS

Interfund transfers in/out to other fund balances at June 30, 2011 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>
General Fund	\$ 231,373	\$ 229,545
Education Fund	-	1,828
Total	<u>\$ 231,373</u>	<u>\$ 231,373</u>

NOTE 11 - OPERATING LEASE

The Regional Office of Education #39 is committed through July 31, 2014 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 through July 31, 2011. For the period August 1, 2011 through July 31, 2014 the monthly rental payments increase to \$7,573. 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, 2011

NOTE 11 - OPERATING LEASE (Concluded)

The Regional Office of Education #39 is committed through March 31, 2014 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.

The Regional Office of Education #39 is committed through June 30, 2013 under a lease agreement for the building located at 1690 Huston Drive, Decatur, Illinois. The lease calls for monthly rental payments of \$3,750.

The counties served by the Regional Office of Education #39 are required by statute to provide the Regional Superintendents of Schools with office space. Therefore, Macon and Piatt Counties share a portion of the facility costs associated with the office space and reimburse the Regional Office of Education #39 for the rent, building maintenance and utilities expense incurred as a result of the lease for this office space.

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

2012	\$ 183,072
2013	183,572
2014	126,647
2015	7,573
2016	-
<u>Thereafter</u>	<u>-</u>
<u>Total</u>	<u>\$ 500,864</u>

NOTE 12 - SUBSEQUENT EVENTS

For fiscal year 2012, the Governor of Illinois vetoed the appropriation line for the Regional Superintendent's and Assistant Regional Superintendent's salaries and benefits, as well as, the appropriation line for the Regional Office's general operations grant. The Regional Superintendent's and Assistant Regional Superintendent's salaries were reinstated in November 2011 for one year only, to be paid from State personal property replacement tax funds, but the general operations grant was not reinstated. The Regional Superintendents will make every effort to secure other local funding to support the programs and services the Regional Office provides. The affect of these funding cuts on the Regional Office's long-term ability to continue to provide services at their current level is unknown.

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 13 - DUE TO/FROM OTHER GOVERNMENTS

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

Due from Other Governments:

<u>General Fund</u>	
Local Governments	\$ 536,215
<u>Education Fund</u>	
Illinois Community College Board	85,534
Illinois State Board of Education	764,868
Workforce Investment Solutions	4,103
Iroquois/Kankakee ROE	25,425
Richland Community College	7,932
<u>Agency Funds</u>	
Local Governments	<u>1,639,287</u>
Total	<u>\$ 3,063,364</u>

Due to Other Governments:

<u>Agency Funds</u>	
Local Governments	<u>\$ 1,640,628</u>

NOTE 14 - 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, 2011 in the following funds:

Adult Education Performance	\$ 35,128
Adult Education Public Assistance	24,100
Adult Education State Basic	12,123
Adult Education Transition Center	5,007
Truants Alternative Optional Education	19,569
ROE/ISC Operations	3,001
Early Childhood Block Grant	91,429
Early Childhood Block Grant II	9,146
Early Childhood Block Grant – Continuing	
Three to Five	5,006
New Principals Mentoring	4,084

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 15 - RECLASSIFICATION

As a result of implementing GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, at July 1, 2010, the GSA and Lunch and Breakfast, Adult Education, and ADA State Aid programs have been reclassified from the Education Fund to the General Fund due to the fact that GSA money (which makes up the fund balances in these programs) does not meet the committed or restricted criteria set forth in GASB 54 for special revenue funds.

The following non-major special revenue funds have also been reclassified to the General Fund due to implementing GASB 54. These funds do not meet the committed or restricted criteria. They are: Film Library, Water Street Pop Fund, Junior Achievement, Futures Pop Fund, Student Council, St. Mary's Hospital School, Teachers Exchange, Futures Foundation, and Department of Corrections - GED Contract funds.

The ROE/ISC Operations grant, which supports the general operations of the Regional Office, has historically been reported the General Fund. However, because this funding is governed by a grant agreement with the grantor, the funding is restricted and is required to be reported as a special revenue fund.

Below are the effects of these reclassifications:

General Fund:

Fund Balance - July 1, 2010	\$ 921,233
Effect of reclassifying ROE/ISC Operations	24,228
Effects of reclassifying Adult Education	209,943
Effects of reclassifying ADA State Aid	966,499
Effects of reclassifying GSA and Lunch and Breakfast	239,074
Effects of reclassifying Water Street Pop Fund	377
Effects of reclassifying Film Library	4,568
Effects of reclassifying Junior Achievement	3,483
Effects of reclassifying Futures Pop Fund	512
Effects of reclassifying Student Council	119
Effects of reclassifying St. Mary's Hospital School	109,375
Effects of reclassifying Teachers Exchange	3,420
Effects of reclassifying Futures Foundation	25,454
Effects of reclassifying Department of Corrections - GED Contract	70
Fund Balance, Restated - July 1, 2010	<u><u>\$ 2,508,355</u></u>

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 15 - RECLASSIFICATION (Continued)

Education Fund:

Fund Balance - July 1, 2010	\$ 980,349
Effect of reclassifying ROE/ISC Operations	(24,228)
Effects of reclassifying Adult Education	(209,943)
Effects of reclassifying ADA State Aid	(966,499)
Effects of reclassifying GSA and Lunch and Breakfast	(239,074)
Fund Balance, Restated - July 1, 2010	\$ (459,395)

Nonmajor Special Revenue Funds:

Fund Balance - July 1, 2010	\$ 264,386
Effects of reclassifying Water Street Pop Fund	(377)
Effects of reclassifying Film Library	(4,568)
Effects of reclassifying Junior Achievement	(3,483)
Effects of reclassifying Futures Pop Fund	(512)
Effects of reclassifying Student Council	(119)
Effects of reclassifying St. Mary's Hospital School	(109,375)
Effects of reclassifying Teachers Exchange	(3,420)
Effects of reclassifying Futures Foundation	(25,454)
Effects of reclassifying Department of Corrections - GED Contract	(70)
Effects of reclassifying Regional Board of Trustees	(590)
Fund Balance, Restated - July 1, 2010	\$ 116,418

In prior years, the Regional Board of Trustees fund was reported as a non-major special revenue fund. The Regional Office of Education #39 acts as the fiscal agent for this fund; therefore, this fund has been reclassified as an agency fund for the current year.

Below are the effects of the reclassification of the Regional Board of Trustees on the beginning fund balance for the Governmental Funds and the beginning balance of Net Assets for Governmental Activities:

Governmental Funds:

Fund Balance - July 1, 2010	\$ 2,165,968
Effects of reclassifying Regional Board of Trustees	(590)
Fund Balance, Restated - July 1, 2010	\$ 2,165,378

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 15 - RECLASSIFICATION (Concluded)

<u>Governmental Activities:</u>	
Net Assets - July 1, 2010	\$ 2,755,248
Effects of reclassifying Regional Board of Trustees	<u>(590)</u>
Net Assets, Restated - July 1, 2010	<u>\$ 2,754,658</u>

NOTE 16 - OTHER POST EMPLOYMENT BENEFITS - HEALTH INSURANCE

The Governmental Accounting Standards Board (GASB) issued Statement No. 43 & 45 that established generally accepted accounting principles for the annual financial statement for postemployment benefit plans other than pension plans. The Regional Office of Education #39 did not recognize an Other Post-Employment Benefits (OPEB) liability at June 30, 2011. The required information is as follows:

Membership in the plan consisted of the following as of:

	<u>June 30, 2011</u>
Retirees and beneficiaries receiving benefits	0
Terminated plan members entitled to but not yet receiving benefits	0
Active vested plan members	14
Active nonvested plan members	<u>15</u>
Total	<u>29</u>
Number of participating employers	1

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2009						
6/30/2010						
6/30/2011	\$ 0	\$ 30,260	\$ 30,260	0.00%		

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 16 - OTHER POST EMPLOYMENT BENEFITS - HEALTH INSURANCE (Continued)

ANNUAL OPEB COST AND NET OPEB OBLIGATION

	<u>June 30, 2011</u>
Annual required contribution	\$ 3,846
Interest on net OPEB obligation	-
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost	3,846
Contributions made	<u>-</u>
Increase (decrease) in net OPEB obligation	3,846
Net OPEB obligation beginning of year	<u>-</u>
Net OPEB obligation end of year	<u><u>\$ 3,846</u></u>

THREE-YEAR TREND INFORMATION

Fiscal Year <u>Ending</u>	Annual <u>OPEB Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
6/30/2009			
6/30/2010			
6/30/2011	\$ 3,846	0.00%	\$ 3,846

ANNUAL REQUIRED CONTRIBUTION

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Service cost	\$ 2,618	\$ 2,728
Amortization	1,009	935
Interest	<u>181</u>	<u>183</u>
Annual required contribution	<u><u>\$ 3,808</u></u>	<u><u>\$ 3,846</u></u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 16 - OTHER POST EMPLOYMENT BENEFITS - HEALTH INSURANCE (Continued)

FUNDING POLICY AND ACTUARIAL ASSUMPTIONS

Contribution rates:

Employer	
Plan members	0.00%

Actuarial valuation date 6/30/2011

Actuarial cost method Entry age

Amortization period Level percentage of pay, open

Remaining amortization period 30 years

Asset valuation method Market

Actuarial assumptions:

Investment rate of return*	5.00%
Projected salary increases	5.00%
Healthcare inflation rate	8.00% intial, 6.00% ultimate

Mortality, Turnover, Disability,
 Retirement ages Same rates utilized for IMRF

Active utilization rate: 20%

Employer provided benefit Explicit: None
 Implicit: 40% of premium to age 65
 (50% of \$486/mo + 50% of \$1,091/mo)

* Includes inflation at 3.00%

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 16 - OTHER POST EMPLOYMENT BENEFITS - HEALTH INSURANCE (Concluded)

GASB 45 Summary as of June 30, 2011

<u>Division</u>	<u>Service Cost</u>	<u>Active Liability</u>	<u>Retired Liability</u>	<u>Total Liability</u>	<u>Annual Required Contribution</u>	<u>Expected Payments</u>	<u>Actives</u>	<u>Retirees</u>	<u>Total</u>
All	2,618	30,260	0	30,260	3,808	0	29	0	29

Discount Rate: 5.0%

Medical Inflation Rate: 8.0% intial, 6.0% ultimate

Future Payroll Increases: 5.0%

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, 2011

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)
12/31/10	\$ 1,794,952	\$ 1,997,317	\$ 202,365	89.87%	\$ 679,898	29.76%
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%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$1,990,530.

On a market basis, the funded ratio would be 99.66%.

OTHER SUPPLEMENTAL INFORMATION

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUNDS
 JUNE 30, 2011

	General	Business Office	Film Library	Water Street Pop Fund
ASSETS				
Cash and cash equivalents	\$ 22,192	\$ 671,727	\$ 4,524	\$ 316
Due from other funds	-	-	-	-
Due from other governments - Local	-	253,898	-	-
Accounts receivable	-	-	-	-
TOTAL ASSETS	\$ 22,192	\$ 925,625	\$ 4,524	\$ 316
LIABILITIES				
Accounts payable	\$ -	\$ 1,823	\$ 41	\$ -
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total Liabilities	-	1,823	41	-
FUND BALANCE				
Assigned	-	-	4,483	-
Unassigned	22,192	923,802	-	316
Total Fund Balance	22,192	923,802	4,483	316
TOTAL LIABILITIES AND FUND BALANCE	\$ 22,192	\$ 925,625	\$ 4,524	\$ 316

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUNDS
 JUNE 30, 2011

	Adult Education	Junior Achievement	ADA State Aid	Futures Pop Fund
ASSETS				
Cash and cash equivalents	\$ 282,133	\$ 3,483	\$ 142,802	\$ 712
Due from other funds	-	-	1,017,279	-
Due from other governments - Local	-	-	403	-
Accounts receivable	-	-	-	-
TOTAL ASSETS	\$ 282,133	\$ 3,483	\$ 1,160,484	\$ 712
LIABILITIES				
Accounts payable	\$ 1,789	\$ -	\$ 26,107	\$ -
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total Liabilities	1,789	-	26,107	-
FUND BALANCE				
Assigned	-	3,483	-	712
Unassigned	280,344	-	1,134,377	-
Total Fund Balance	280,344	3,483	1,134,377	712
TOTAL LIABILITIES AND FUND BALANCE	\$ 282,133	\$ 3,483	\$ 1,160,484	\$ 712

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUNDS
 JUNE 30, 2011

	St. Mary's Hospital School	Student Council	Recycling and Energy	Teachers' Exchange
ASSETS				
Cash and cash equivalents	\$ 73,580	\$ 119	\$ 1,451	\$ 139,956
Due from other funds	-	-	-	-
Due from other governments - Local	50,056	-	-	18,395
Accounts receivable	-	-	-	-
TOTAL ASSETS	<u>\$ 123,636</u>	<u>\$ 119</u>	<u>\$ 1,451</u>	<u>\$ 158,351</u>
LIABILITIES				
Accounts payable	\$ 412	\$ -	\$ -	\$ 154,930
Due to other funds	-	-	-	-
Deferred revenue	-	-	1,451	-
Total Liabilities	<u>412</u>	<u>-</u>	<u>1,451</u>	<u>154,930</u>
FUND BALANCE				
Assigned	-	119	-	-
Unassigned	123,224	-	-	3,421
Total Fund Balance	<u>123,224</u>	<u>119</u>	<u>-</u>	<u>3,421</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 123,636</u>	<u>\$ 119</u>	<u>\$ 1,451</u>	<u>\$ 158,351</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUNDS
 JUNE 30, 2011

	General State Aid & Lunch & Breakfast	Baby Talk	Department of Corrections - GED Contract	Futures Foundation
ASSETS				
Cash and cash equivalents	\$ 249,556	\$ -	\$ -	\$ 1,075
Due from other funds	-	-	-	-
Due from other governments - Local	5,764	-	-	-
Accounts receivable	57	11,036	4,449	28,216
TOTAL ASSETS	\$ 255,377	\$ 11,036	\$ 4,449	\$ 29,291
LIABILITIES				
Accounts payable	\$ 1,864	\$ 1,401	\$ -	\$ -
Due to other funds	-	9,635	4,379	-
Deferred revenue	-	-	-	-
Total Liabilities	1,864	11,036	4,379	-
FUND BALANCE				
Assigned	-	-	-	29,291
Unassigned	253,513	-	70	-
Total Fund Balance	253,513	-	70	29,291
TOTAL LIABILITIES AND FUND BALANCE	\$ 255,377	\$ 11,036	\$ 4,449	\$ 29,291

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUNDS
 JUNE 30, 2011

	School Improvement	TOTALS
ASSETS		
Cash and cash equivalents	\$ -	\$ 1,593,626
Due from other funds	-	1,017,279
Due from other governments - Local	207,699	536,215
Accounts receivable	-	43,758
	<u>\$ 207,699</u>	<u>\$ 3,190,878</u>
TOTAL ASSETS	\$ 207,699	\$ 3,190,878
LIABILITIES		
Accounts payable	\$ 19,330	\$ 207,697
Due to other funds	188,369	202,383
Deferred revenue	-	1,451
Total Liabilities	<u>207,699</u>	<u>411,531</u>
FUND BALANCE		
Assigned	-	38,088
Unassigned	-	2,741,259
Total Fund Balance	<u>-</u>	<u>2,779,347</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 207,699	\$ 3,190,878

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, 2011

	General	Business Office	Film Library	Water Street Pop Fund
REVENUES				
Local sources	\$ -	\$ 219,554	\$ 34,601	\$ 268
State sources	-	-	-	-
On-behalf payments - State	582,094	-	-	-
Federal sources	-	-	-	-
Total Revenues	582,094	219,554	34,601	268
EXPENDITURES				
Salaries and benefits	-	145,801	28,550	-
Purchased services	-	68,530	3,999	329
Supplies and materials	-	6,840	2,140	-
Other objects	-	719	-	-
On-behalf payments - State	582,094	-	-	-
Total Expenditures	582,094	221,890	34,689	329
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(2,336)	(88)	(61)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	1,764	-	-
Transfer out	-	-	-	-
Interest	31	1,074	3	-
Total Other Financing Sources (Uses)	31	2,838	3	-
NET CHANGE IN FUND BALANCE	31	502	(85)	(61)
FUND BALANCE - BEGINNING, RESTATED	22,161	923,300	4,568	377
FUND BALANCE - ENDING	\$ 22,192	\$ 923,802	\$ 4,483	\$ 316

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, 2011

	Adult Education	Junior Achievement	ADA State Aid	Futures Pop Fund
REVENUES				
Local sources	\$ -	\$ -	\$ 7,779	\$ 6,076
State sources	-	-	871,419	-
On-behalf payments - State	-	-	-	-
Federal sources	-	-	-	-
Total Revenues	-	-	879,198	6,076
EXPENDITURES				
Salaries and benefits	109,330	-	288,409	-
Purchased services	34,744	-	181,686	-
Supplies and materials	4,415	-	11,680	5,876
Other objects	-	-	-	-
On-behalf payments - State	-	-	-	-
Total Expenditures	148,489	-	481,775	5,876
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(148,489)	-	397,423	200
OTHER FINANCING SOURCES (USES)				
Transfer in	218,890	-	-	-
Transfer out	-	-	(229,545)	-
Interest	-	-	-	-
Total Other Financing Sources (Uses)	218,890	-	(229,545)	-
NET CHANGE IN FUND BALANCE	70,401	-	167,878	200
FUND BALANCE - BEGINNING, RESTATED	209,943	3,483	966,499	512
FUND BALANCE - ENDING	\$ 280,344	\$ 3,483	\$ 1,134,377	\$ 712

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, 2011

	St. Mary's Hospital School	Student Council	Recycling and Energy	Teachers' Exchange
REVENUES				
Local sources	\$ 99,392	\$ -	\$ 10,582	\$ 339,708
State sources	-	-	-	-
On-behalf payments - State	-	-	-	-
Federal sources	-	-	-	-
Total Revenues	99,392	-	10,582	339,708
EXPENDITURES				
Salaries and benefits	90,290	-	-	-
Purchased services	5,906	-	4,870	339,707
Supplies and materials	66	-	5,712	-
Other objects	-	-	-	-
On-behalf payments - State	-	-	-	-
Total Expenditures	96,262	-	10,582	339,707
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,130	-	-	1
OTHER FINANCING SOURCES (USES)				
Transfer in	10,719	-	-	-
Transfer out	-	-	-	-
Interest	-	-	-	-
Total Other Financing Sources (Uses)	10,719	-	-	-
NET CHANGE IN FUND BALANCE	13,849	-	-	1
FUND BALANCE - BEGINNING, RESTATED	109,375	119	-	3,420
FUND BALANCE - ENDING	\$ 123,224	\$ 119	\$ -	\$ 3,421

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, 2011

	General State Aid & Lunch & Breakfast	Baby Talk	Department of Corrections - GED Contract	Futures Foundation
REVENUES				
Local sources	\$ 31,171	\$ 154,765	\$ -	\$ 1,000
State sources	146,822	-	16,142	-
On-behalf payments - State	-	-	-	-
Federal sources	4,878	-	-	-
Total Revenues	182,871	154,765	16,142	1,000
EXPENDITURES				
Salaries and benefits	117,431	145,946	-	-
Purchased services	47,658	8,819	16,142	-
Supplies and materials	3,343	-	-	1,356
Other objects	-	-	-	-
On-behalf payments - State	-	-	-	-
Total Expenditures	168,432	154,765	16,142	1,356
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	14,439	-	-	(356)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Interest	-	-	-	4,193
Total Other Financing Sources (Uses)	-	-	-	4,193
NET CHANGE IN FUND BALANCE	14,439	-	-	3,837
FUND BALANCE - BEGINNING, RESTATED	239,074	-	70	25,454
FUND BALANCE - ENDING	\$ 253,513	\$ -	\$ 70	\$ 29,291

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, 2011

	School Improvement	TOTALS
REVENUES		
Local sources	\$ 834,726	\$ 1,739,622
State sources	-	1,034,383
On-behalf payments - State	-	582,094
Federal sources	-	4,878
	834,726	3,360,977
EXPENDITURES		
Salaries and benefits	601,499	1,527,256
Purchased services	233,227	945,617
Supplies and materials	-	41,428
Other objects	-	719
On-behalf payments - State	-	582,094
	834,726	3,097,114
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	263,863
OTHER FINANCING SOURCES (USES)		
Transfer in	-	231,373
Transfer out	-	(229,545)
Interest	-	5,301
Total Other Financing Sources (Uses)	-	7,129
NET CHANGE IN FUND BALANCE	-	270,992
FUND BALANCE - BEGINNING, RESTATED	-	2,508,355
FUND BALANCE - ENDING	\$ -	\$ 2,779,347

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2011

	Adult Education Performance	Adult Education Public Assistance	Adult Education State Basic	Adult Education Federal Basic
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments:				
State	41,843	28,976	14,715	-
Federal	-	-	-	-
TOTAL ASSETS	\$ 41,843	\$ 28,976	\$ 14,715	\$ -
LIABILITIES				
Accounts payable	\$ 78	\$ 3	\$ 85	\$ -
Due to other funds	41,765	28,973	14,630	-
Deferred revenue	35,128	24,100	12,123	-
Total Liabilities	76,971	53,076	26,838	-
FUND BALANCE (DEFICIT)				
Restricted	-	-	-	-
Unassigned	(35,128)	(24,100)	(12,123)	-
Total Fund Balance (Deficit)	(35,128)	(24,100)	(12,123)	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 41,843	\$ 28,976	\$ 14,715	\$ -

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2011

	Adult Education Transition Center	WIS - Year Round Youth Program I	Truants Alternative/ Optional Education	Gifted Program
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments:				
State	21,774	-	215,262	-
Federal	-	4,103	-	-
TOTAL ASSETS	\$ 21,774	\$ 4,103	\$ 215,262	\$ -
LIABILITIES				
Accounts payable	\$ 864	\$ 140	\$ 23,363	\$ -
Due to other funds	20,910	3,963	191,899	-
Deferred revenue	5,007	-	19,569	-
Total Liabilities	26,781	4,103	234,831	-
FUND BALANCE (DEFICIT)				
Restricted	-	-	-	-
Unassigned	(5,007)	-	(19,569)	-
Total Fund Balance (Deficit)	(5,007)	-	(19,569)	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 21,774	\$ 4,103	\$ 215,262	\$ -

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2011

	ROE/ISC Operations	Title II Teacher Quality	Regional Safe Schools	Special Educaton for Department of Corrections
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments:				
State	30,901	-	38,308	-
Federal	-	-	-	-
TOTAL ASSETS	\$ 30,901	\$ -	\$ 38,308	\$ -
LIABILITIES				
Accounts payable	\$ 958	\$ -	\$ 6,834	\$ -
Due to other funds	29,943	-	31,474	-
Deferred revenue	3,001	-	-	-
Total Liabilities	33,902	-	38,308	-
FUND BALANCE (DEFICIT)				
Restricted	-	-	-	-
Unassigned	(3,001)	-	-	-
Total Fund Balance (Deficit)	(3,001)	-	-	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 30,901	\$ -	\$ 38,308	\$ -

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2011

	Early Childhood Block Grant	Not on Tobacco	RESPRO	Secretary of State
ASSETS				
Cash and cash equivalents	\$ -	\$ 394	\$ -	\$ -
Due from other governments:				
State	349,834	-	-	7,932
Federal	-	-	21,425	-
TOTAL ASSETS	\$ 349,834	\$ 394	\$ 21,425	\$ 7,932
LIABILITIES				
Accounts payable	\$ 21,888	\$ -	\$ 4,394	\$ 36
Due to other funds	327,946	-	17,031	7,896
Deferred revenue	91,429	-	-	-
Total Liabilities	441,263	-	21,425	7,932
FUND BALANCE (DEFICIT)				
Restricted	-	394	-	-
Unassigned	(91,429)	-	-	-
Total Fund Balance (Deficit)	(91,429)	394	-	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 349,834	\$ 394	\$ 21,425	\$ 7,932

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2011

	Early Childhood Block Grant II	Early Childhood Block Grant- Continuing Three to Five	Preschool For All	Homeless Children Youth Program
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments:				
State	56,348	30,396	-	-
Federal	-	-	-	4,000
TOTAL ASSETS	\$ 56,348	\$ 30,396	\$ -	\$ 4,000
LIABILITIES				
Accounts payable	\$ 5,631	\$ 3,232	\$ -	\$ 4,000
Due to other funds	50,717	27,164	-	-
Deferred revenue	9,146	5,066	-	-
Total Liabilities	65,494	35,462	-	4,000
FUND BALANCE (DEFICIT)				
Restricted	-	-	-	-
Unassigned	(9,146)	(5,066)	-	-
Total Fund Balance (Deficit)	(9,146)	(5,066)	-	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 56,348	\$ 30,396	\$ -	\$ 4,000

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2011

	New Principals Mentoring	ARRA - Title I - School Improvement and Accountability	ARRA - Educations Jobs	TOTALS
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 394
Due from other governments:				
State	4,084	-	-	840,373
Federal	-	12,742	5,219	47,489
TOTAL ASSETS	\$ 4,084	\$ 12,742	\$ 5,219	\$ 888,256
LIABILITIES				
Accounts payable	\$ 57	\$ 1,370	33	\$ 72,966
Due to other funds	4,027	11,372	5,186	814,896
Deferred revenue	4,084	-	-	208,653
Total Liabilities	8,168	12,742	5,219	1,096,515
FUND BALANCE (DEFICIT)				
Restricted	-	-	-	394
Unassigned	(4,084)	-	-	(208,653)
Total Fund Balance (Deficit)	(4,084)	-	-	(208,259)
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 4,084	\$ 12,742	\$ 5,219	\$ 888,256

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, 2011

	Adult Education Performance	Adult Education Public Assistance	Adult Education State Basic	Adult Education Federal Basic
REVENUES				
State sources	\$ 54,456	\$ 34,431	\$ 16,008	\$ -
Federal sources	-	-	-	19,956
Total Revenues	<u>54,456</u>	<u>34,431</u>	<u>16,008</u>	<u>19,956</u>
EXPENDITURES				
Salaries and benefits	49,060	30,405	20,287	19,773
Purchased services	17,314	17,373	584	146
Supplies and materials	4,742	1,282	772	37
Capital outlay	-	-	-	-
Total Expenditures	<u>71,116</u>	<u>49,060</u>	<u>21,643</u>	<u>19,956</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(16,660)</u>	<u>(14,629)</u>	<u>(5,635)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(16,660)</u>	<u>(14,629)</u>	<u>(5,635)</u>	<u>-</u>
FUND BALANCE (DEFICIT), BEGINNING - RESTATED	<u>(18,468)</u>	<u>(9,471)</u>	<u>(6,488)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u><u>\$ (35,128)</u></u>	<u><u>\$ (24,100)</u></u>	<u><u>\$ (12,123)</u></u>	<u><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, 2011

	Adult Education Transition Center	WIS - Year Round Youth Program I	Truants Alternative/ Optional Education	Gifted Program
REVENUES				
State sources	\$ 87,476	\$ -	\$ 285,052	\$ 10,000
Federal sources	-	61,549	-	-
Total Revenues	<u>87,476</u>	<u>61,549</u>	<u>285,052</u>	<u>10,000</u>
EXPENDITURES				
Salaries and benefits	53,334	48,000	155,875	8,442
Purchased services	553	4,530	50,445	1,387
Supplies and materials	148	9,019	8,942	8,666
Capital outlay	-	-	-	-
Total Expenditures	<u>54,035</u>	<u>61,549</u>	<u>215,262</u>	<u>18,495</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>33,441</u>	<u>-</u>	<u>69,790</u>	<u>(8,495)</u>
OTHER FINANCING SOURCES (USES):				
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	33,441	-	69,790	(8,495)
FUND BALANCE (DEFICIT), BEGINNING - RESTATED	<u>(38,448)</u>	<u>-</u>	<u>(89,359)</u>	<u>8,495</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (5,007)</u>	<u>\$ -</u>	<u>\$ (19,569)</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, 2011

	ROE/ISC Operations	Title II Teacher Quality	Regional Safe Schools	Special Educaton for Department of Corrections
REVENUES				
State sources	\$ 84,328	\$ -	\$ 134,540	\$ -
Federal sources	-	3,023	-	-
Total Revenues	<u>84,328</u>	<u>3,023</u>	<u>134,540</u>	<u>-</u>
EXPENDITURES				
Salaries and benefits	35,566	-	84,748	-
Purchased services	18,758	2,390	9,828	-
Supplies and materials	8,777	633	10,732	-
Capital outlay	-	-	-	-
Total Expenditures	<u>63,101</u>	<u>3,023</u>	<u>105,308</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>21,227</u>	<u>-</u>	<u>29,232</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfer out	-	(1,764)	-	(64)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,764)</u>	<u>-</u>	<u>(64)</u>
NET CHANGE IN FUND BALANCE	21,227	(1,764)	29,232	(64)
FUND BALANCE (DEFICIT), BEGINNING - RESTATED	<u>(24,228)</u>	<u>1,764</u>	<u>(29,232)</u>	<u>64</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (3,001)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2011

	Early Childhood Block Grant	Not on Tobacco	RESPRO	Secretary of State
REVENUES				
State sources	\$ 755,859	\$ -	\$ -	\$ 31,728
Federal sources	-	-	162,470	-
Total Revenues	<u>755,859</u>	<u>-</u>	<u>162,470</u>	<u>31,728</u>
EXPENDITURES				
Salaries and benefits	510,178	-	125,718	31,431
Purchased services	100,936	-	10,009	297
Supplies and materials	34,139	-	26,743	-
Capital outlay	14,667	-	-	-
Total Expenditures	<u>659,920</u>	<u>-</u>	<u>162,470</u>	<u>31,728</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>95,939</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	95,939	-	-	-
FUND BALANCE (DEFICIT), BEGINNING - RESTATE	<u>(187,368)</u>	<u>394</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (91,429)</u>	<u>\$ 394</u>	<u>\$ -</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, 2011

	Early Childhood Block Grant II	Early Childhood Block Grant- Continuing Three to Five	Preschool For All	Homeless Children Youth Program
REVENUES				
State sources	\$ 123,702	\$ 78,332	\$ 13,851	\$ -
Federal sources	-	-	-	17,686
Total Revenues	<u>123,702</u>	<u>78,332</u>	<u>13,851</u>	<u>17,686</u>
EXPENDITURES				
Salaries and benefits	69,381	48,516	-	13,004
Purchased services	20,100	6,948	-	148
Supplies and materials	11,767	5,335	-	4,534
Capital outlay	1,000	-	-	-
Total Expenditures	<u>102,248</u>	<u>60,799</u>	<u>-</u>	<u>17,686</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>21,454</u>	<u>17,533</u>	<u>13,851</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	21,454	17,533	13,851	-
FUND BALANCE (DEFICIT), BEGINNING - RESTATE	<u>(30,600)</u>	<u>(22,599)</u>	<u>(13,851)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (9,146)</u>	<u>\$ (5,066)</u>	<u>\$ -</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, 2011

	New Principals Mentoring	ARRA - Title I - School Improvement and Accountability	ARRA - Educations Jobs	TOTALS
REVENUES				
State sources	\$ 2,332	\$ -	\$ -	\$ 1,712,095
Federal sources	-	120,000	92,691	477,375
Total Revenues	<u>2,332</u>	<u>120,000</u>	<u>92,691</u>	<u>2,189,470</u>
EXPENDITURES				
Salaries and benefits	-	75,168	91,901	1,470,787
Purchased services	5,529	29,173	790	297,238
Supplies and materials	887	15,659	-	152,814
Capital outlay	-	-	-	15,667
Total Expenditures	<u>6,416</u>	<u>120,000</u>	<u>92,691</u>	<u>1,936,506</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,084)</u>	<u>-</u>	<u>-</u>	<u>252,964</u>
OTHER FINANCING SOURCES (USES):				
Transfer out	-	-	-	(1,828)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,828)</u>
NET CHANGE IN FUND BALANCE	<u>(4,084)</u>	<u>-</u>	<u>-</u>	<u>251,136</u>
FUND BALANCE (DEFICIT), BEGINNING - RESTATED	<u>-</u>	<u>-</u>	<u>-</u>	<u>(459,395)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (4,084)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (208,259)</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 ADULT EDUCATION PERFORMANCE
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 70,256	\$ 70,256	\$ 54,456
Total Revenues	<u>70,256</u>	<u>70,256</u>	<u>54,456</u>
EXPENDITURES			
Salaries and benefits	49,457	49,457	49,060
Purchased services	15,899	15,899	17,314
Supplies and materials	4,900	4,900	4,742
Total Expenditures	<u>70,256</u>	<u>70,256</u>	<u>71,116</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(16,660)</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(18,468)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (35,128)</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 ADULT EDUCATION PUBLIC ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
State sources	\$ 48,198	\$ 48,198	\$ 34,431
Total Revenues	<u>48,198</u>	<u>48,198</u>	<u>34,431</u>
EXPENDITURES			
Salaries and benefits	30,639	30,639	30,405
Purchased services	17,359	17,359	17,373
Supplies and materials	200	200	1,282
Total Expenditures	<u>48,198</u>	<u>48,198</u>	<u>49,060</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(14,629)</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(9,471)</u>
FUND BALANCE (DEFICIT) - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (24,100)</u></u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 ADULT EDUCATION STATE BASIC
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
State sources	\$ 20,783	\$ 20,783	\$ 16,008
Total Revenues	<u>20,783</u>	<u>20,783</u>	<u>16,008</u>
EXPENDITURES			
Salaries and benefits	20,490	20,490	20,287
Purchased services	293	293	584
Supplies and materials	-	-	772
Total Expenditures	<u>20,783</u>	<u>20,783</u>	<u>21,643</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(5,635)</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(6,488)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,123)</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 ADULT EDUCATION FEDERAL BASIC
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
Federal sources	\$ 19,956	\$ 19,956	\$ 19,956
Total Revenues	<u>19,956</u>	<u>19,956</u>	<u>19,956</u>
EXPENDITURES			
Salaries and benefits	19,920	19,920	19,773
Purchased services	-	-	146
Supplies and materials	36	36	37
Total Expenditures	<u>19,956</u>	<u>19,956</u>	<u>19,956</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, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 WIS-YEAR ROUND YOUTH PROGRAM I
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
Federal sources	\$ 70,800	\$ 63,000	\$ 61,549
Total Revenues	<u>70,800</u>	<u>63,000</u>	<u>61,549</u>
EXPENDITURES			
Salaries and benefits	70,800	63,000	48,000
Purchased services	-	-	4,530
Supplies and materials	-	-	9,019
Total Expenditures	<u>70,800</u>	<u>63,000</u>	<u>61,549</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, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 TRUANTS ALTERNATIVE/OPTIONAL EDUCATION
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 215,262	\$ 215,262	\$ 285,052
Total Revenues	<u>215,262</u>	<u>215,262</u>	<u>285,052</u>
EXPENDITURES			
Salaries and benefits	155,984	155,984	155,875
Purchased services	50,454	50,454	50,445
Supplies and materials	8,824	8,824	8,942
Total Expenditures	<u>215,262</u>	<u>215,262</u>	<u>215,262</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>69,790</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(89,359)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,569)</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to October 31, 2010)
 EDUCATION FUND ACCOUNT
 GIFTED PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 10,000	\$ 10,000	\$ 10,000
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
EXPENDITURES			
Salaries and benefits	8,443	8,443	8,442
Purchased services	1,557	1,386	1,387
Supplies and materials	-	171	8,666
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>18,495</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(8,495)</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>8,495</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, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 ROE/ISC OPERATIONS
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 34,564	\$ 63,101	\$ 84,328
Total revenues	<u>34,564</u>	<u>63,101</u>	<u>84,328</u>
EXPENDITURES			
Salaries and benefits	28,620	35,566	35,566
Purchased services	5,944	19,644	18,758
Supplies and materials	-	7,891	8,777
Total expenditures	<u>34,564</u>	<u>63,101</u>	<u>63,101</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>21,227</u>
FUND BALANCE (DEFICIT) - BEGINNING			
	<u>-</u>	<u>-</u>	<u>(24,228)</u>
FUND BALANCE (DEFICIT) - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,001)</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of August 11, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 TITLE II TEACHER QUALITY
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
Federal sources	\$ 3,023	\$ 3,023	\$ 3,023
Total Revenues	<u>3,023</u>	<u>3,023</u>	<u>3,023</u>
EXPENDITURES			
Purchased services	2,523	2,523	2,390
Supplies and materials	500	500	633
Total Expenditures	<u>3,023</u>	<u>3,023</u>	<u>3,023</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfer out	-	-	(1,764)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,764)</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>1,764</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, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 REGIONAL SAFE SCHOOLS
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 105,308	\$ 105,308	\$ 134,540
Total Revenues	<u>105,308</u>	<u>105,308</u>	<u>134,540</u>
EXPENDITURES			
Salaries and benefits	84,203	84,203	84,748
Purchased services	13,925	9,925	9,828
Supplies and materials	7,180	11,180	10,732
Total Expenditures	<u>105,308</u>	<u>105,308</u>	<u>105,308</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>29,232</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(29,232)</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, 2010 to August 31, 2011)
 EDUCATION FUND ACCOUNT
 EARLY CHILDHOOD BLOCK GRANT
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 620,177	\$ 745,164	\$ 755,859
Total Revenues	<u>620,177</u>	<u>745,164</u>	<u>755,859</u>
EXPENDITURES			
Salaries and benefits	473,102	571,923	510,178
Purchased services	99,493	118,636	100,936
Supplies and materials	37,582	39,605	34,139
Capital outlay	10,000	15,000	14,667
Total Expenditures	<u>620,177</u>	<u>745,164</u>	<u>659,920</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>95,939</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(187,368)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (91,429)</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 REGIONAL SYSTEM OF SUPPORT PROVIDER (RESPRO)
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
Federal sources	\$ 162,000	\$ 163,000	\$ 162,470
Total Revenues	<u>162,000</u>	<u>163,000</u>	<u>162,470</u>
EXPENDITURES			
Salaries and benefits	140,224	125,718	125,718
Purchased services	17,700	10,641	10,009
Supplies and materials	4,076	26,641	26,743
Total Expenditures	<u>162,000</u>	<u>163,000</u>	<u>162,470</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, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 EARLY CHILDHOOD BLOCK GRANT II
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 91,800	\$ 102,248	\$ 123,702
Total Revenues	<u>91,800</u>	<u>102,248</u>	<u>123,702</u>
EXPENDITURES			
Salaries and benefits	68,902	69,866	69,381
Purchased services	10,001	20,509	20,100
Supplies and materials	11,897	10,873	11,767
Capital outlay	1,000	1,000	1,000
Total Expenditures	<u>91,800</u>	<u>102,248</u>	<u>102,248</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>21,454</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(30,600)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,146)</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 EARLY CHILDHOOD BLOCK GRANT - CONTINUING THREE TO FIVE
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 60,799	\$ 60,799	\$ 78,332
Total Revenues	<u>60,799</u>	<u>60,799</u>	<u>78,332</u>
EXPENDITURES			
Salaries and benefits	49,603	49,603	48,516
Purchased services	9,038	9,038	6,948
Supplies and materials	2,158	2,158	5,335
Total Expenditures	<u>60,799</u>	<u>60,799</u>	<u>60,799</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>17,533</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(22,599)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,066)</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 HOMELESS CHILDREN YOUTH PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Federal sources	\$ 13,092	\$ 13,686	\$ 17,686
Total Revenues	<u>13,092</u>	<u>13,686</u>	<u>17,686</u>
EXPENDITURES			
Salaries and benefits	12,410	13,004	13,004
Purchased services	282	282	148
Supplies and materials	400	400	4,534
Total Expenditures	<u>13,092</u>	<u>13,686</u>	<u>17,686</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, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 NEW PRINCIPALS MENTORING
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
State sources	\$ 6,750	\$ 6,750	\$ 2,332
Total Revenues	<u>6,750</u>	<u>6,750</u>	<u>2,332</u>
EXPENDITURES			
Purchased services	5,750	5,750	5,529
Supplies and materials	1,000	1,000	887
Total Expenditures	<u>6,750</u>	<u>6,750</u>	<u>6,416</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(4,084)</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,084)</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 28, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 ARRA - TITLE I - SCHOOL IMPROVEMENT AND ACCOUNTABILITY
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
Federal sources	\$ 120,000	\$ 120,000	\$ 120,000
Total Revenues	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
EXPENDITURES			
Salaries and benefits	81,491	75,168	75,168
Purchased services	34,500	29,195	29,173
Supplies and materials	4,009	15,637	15,659
Total Expenditures	<u>120,000</u>	<u>120,000</u>	<u>120,000</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>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2011

	Institute	General Education Development	Bus Permit	Supervisory	TOTALS
ASSETS					
Cash and cash equivalents	\$ 78,573	\$ 8,757	\$ 8,831	\$ -	\$ 96,161
TOTAL ASSETS	\$ 78,573	\$ 8,757	\$ 8,831	\$ -	\$ 96,161
LIABILITIES					
Accounts payable	\$ 1,038	\$ 931	\$ -	\$ -	\$ 1,969
Total Liabilities	1,038	931	-	-	1,969
FUND BALANCE					
Restricted	77,535	7,826	8,831	-	94,192
Total Fund Balance	77,535	7,826	8,831	-	94,192
TOTAL LIABILITIES AND FUND BALANCE	\$ 78,573	\$ 8,757	\$ 8,831	\$ -	\$ 96,161

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

	Institute	General Education Development	Bus Permit	Supervisory	TOTALS
REVENUES					
Local sources	\$ 28,126	\$ 23,328	\$ 3,171	\$ -	\$ 54,625
State sources	-	-	1,140	-	1,140
Total Revenues	<u>28,126</u>	<u>23,328</u>	<u>4,311</u>	<u>-</u>	<u>55,765</u>
EXPENDITURES					
Salaries and benefits	4,050	15,129	-	-	19,179
Purchased services	43,026	5,184	1,348	844	50,402
Supplies and materials	3,907	4,503	-	-	8,410
Total Expenditures	<u>50,983</u>	<u>24,816</u>	<u>1,348</u>	<u>844</u>	<u>77,991</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(22,857)</u>	<u>(1,488)</u>	<u>2,963</u>	<u>(844)</u>	<u>(22,226)</u>
NET CHANGE IN FUND BALANCE	(22,857)	(1,488)	2,963	(844)	(22,226)
FUND BALANCE - BEGINNING, RESTATED	<u>100,392</u>	<u>9,314</u>	<u>5,868</u>	<u>844</u>	<u>116,418</u>
FUND BALANCE - ENDING	<u>\$ 77,535</u>	<u>\$ 7,826</u>	<u>\$ 8,831</u>	<u>\$ -</u>	<u>\$ 94,192</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2011

	Distributive Fund	Project Success Fund	Heartland Region Fund	Regional Board of Trustees	TOTALS
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,341	\$ 1,341
Due from other governments	1,226,646	10,669	401,972	-	1,639,287
TOTAL ASSETS	\$ 1,226,646	\$ 10,669	\$ 401,972	\$ 1,341	\$ 1,640,628
LIABILITIES					
Due to other governments	\$ 1,226,646	\$ 10,669	\$ 401,972	\$ 1,341	\$ 1,640,628
TOTAL LIABILITIES	\$ 1,226,646	\$ 10,669	\$ 401,972	\$ 1,341	\$ 1,640,628

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<u>Distributive Fund</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 3,408,370	\$ 3,408,370	\$ -
Due from other governments	-	1,226,646	-	1,226,646
Total Assets	<u>\$ -</u>	<u>\$ 4,635,016</u>	<u>\$ 3,408,370</u>	<u>\$ 1,226,646</u>
LIABILITIES				
Due to other governments	\$ -	\$ 4,635,016	\$ 3,408,370	\$ 1,226,646
Total Liabilities	<u>\$ -</u>	<u>\$ 4,635,016</u>	<u>\$ 3,408,370</u>	<u>\$ 1,226,646</u>
 <u>Project Success Fund</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 41,489	\$ 41,489	\$ -
Due from other governments	-	10,669	-	10,669
Total Assets	<u>\$ -</u>	<u>\$ 52,158</u>	<u>\$ 41,489</u>	<u>\$ 10,669</u>
LIABILITIES				
Due to other governments	\$ -	\$ 52,158	\$ 41,489	\$ 10,669
Total Liabilities	<u>\$ -</u>	<u>\$ 52,158</u>	<u>\$ 41,489</u>	<u>\$ 10,669</u>
 <u>Heartland Region Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 4,726	\$ 1,116,867	\$ 1,121,593	\$ -
Due from other governments	446,423	401,972	446,423	401,972
Total Assets	<u>\$ 451,149</u>	<u>\$ 1,518,839</u>	<u>\$ 1,568,016</u>	<u>\$ 401,972</u>
LIABILITIES				
Due to other governments	\$ 451,149	\$ 1,518,839	\$ 1,568,016	\$ 401,972
Total Liabilities	<u>\$ 451,149</u>	<u>\$ 1,518,839</u>	<u>\$ 1,568,016</u>	<u>\$ 401,972</u>
 <u>Regional Board of Trustees</u>				
ASSETS				
Cash and cash equivalents	\$ 590	\$ 1,730	\$ 979	\$ 1,341
Total Assets	<u>\$ 590</u>	<u>\$ 1,730</u>	<u>\$ 979</u>	<u>\$ 1,341</u>
LIABILITIES				
Due to other governments	\$ 590	\$ 1,730	\$ 979	\$ 1,341
Total Liabilities	<u>\$ 590</u>	<u>\$ 1,730</u>	<u>\$ 979</u>	<u>\$ 1,341</u>
 <u>TOTALS</u>				
ASSETS				
Cash and cash equivalents	\$ 5,316	\$ 4,568,456	\$ 4,572,431	\$ 1,341
Due from other governments	446,423	1,639,287	446,423	1,639,287
Total Assets	<u>\$ 451,739</u>	<u>\$ 6,207,743</u>	<u>\$ 5,018,854</u>	<u>\$ 1,640,628</u>
LIABILITIES				
Due to other governments	\$ 451,739	\$ 6,207,743	\$ 5,018,854	\$ 1,640,628
Total Liabilities	<u>\$ 451,739</u>	<u>\$ 6,207,743</u>	<u>\$ 5,018,854</u>	<u>\$ 1,640,628</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 SCHEDULE OF DISBURSEMENTS TO
 SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 DISTRIBUTIVE FUND
 FOR THE YEAR ENDED JUNE 30, 2011

	Heartland Region	Futures Unlimited Alternative	ROE #39	Total
General State Aid	\$ -	\$ -	\$ 1,018,021	\$ 1,018,021
Spec Education - Personnel	-	875	-	875
Career & Technical Ed Imp	843,594	-	-	843,594
Agricultural Education	11,566	-	-	11,566
State Free Breakfast & Lunch	-	-	178	178
School Brkfst Incentive	-	-	7	7
School Bus Driver Training	-	-	1,140	1,140
Truants Alternative Optional Education	-	-	134,040	134,040
Regional Safe Schools	-	-	129,232	129,232
Early Childhood - Block Grant	-	-	745,490	745,490
School Improvement - Operations	-	-	69,128	69,128
Federal Lunch	-	-	3,432	3,432
Federal Breakfast	-	-	1,446	1,446
Title I - Reading First	-	-	936	936
VE Perkins Title IIC Sec	251,532	-	-	251,532
ARRA - Education Jobs	-	-	87,472	87,472
Title II - Teacher Quality	-	-	3,023	3,023
ARRA - Title I School Improvement	-	-	107,258	107,258
TOTAL	\$ 1,106,692	\$ 875	\$ 2,300,803	\$ 3,408,370