

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #40**

**FINANCIAL AUDIT
For the year ended June 30, 2008**

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

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

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**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
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**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
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**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

OFFICIALS

Regional Superintendent (current and during the audit period)..... Mr. Larry D. Pfeiffer

Assistant Regional Superintendent (current and during the audit period) Mr. Terry Strauch

Offices are located at:

220 N. Broad Street
Carlinville, IL 62626

Box 409, 100 Lincoln
Jerseyville, IL 62052

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

FINANCIAL REPORT SUMMARY

The financial audit testing performed during 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	1	4
Repeated audit findings	1	0
Prior recommendations implemented or not repeated	3	2

Details of audit findings are presented in a separately tabbed report section.

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
08-01	11-12	Controls Over Financial Statement Preparation	Material Weakness

FINDINGS (FEDERAL COMPLIANCE)

No findings were noted for the year ended June 30, 2008.

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

FINANCIAL REPORT SUMMARY (Continued)

SUMMARY OF FINDINGS AND QUESTIONED COSTS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)			
07-01	15	Miscoding of an Expenditure	
07-02	15	Failure to Review and Reconcile a Bank Account	
07-03	15	Inadequate Review of Journal Entries	
PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)			
07-01	15	Miscoding of an Expenditure	

EXIT CONFERENCE

An informal exit conference was held on November 21, 2008. Attending were Larry D. Pfeiffer, Regional Superintendent, Beverly Kinser, Bookkeeper for the Regional Office of Education #40, Marilyn Rogers, Bookkeeper for the Regional Office of Education #40, Heather Wolke, CPA, and Leigh Cottingham, CPA, both with West & Company, LLC.

The responses to the recommendations were provided by Larry Pfeiffer via email dated June 18, 2009.

FINANCIAL STATEMENT REPORT

A financial statement audit consists of an audit of an agency's financial statements, including an examination of the underlying books and records, to determine whether those financial statements are fairly presented in accordance with generally accepted accounting principles.

The financial statement report is comprised of the following:

A Summary section providing a brief overview of the financial statement audit.

- An Auditors' Report section containing statements by the auditors on the scope and results of their audit, as required by applicable professional standards.
- A Findings & Recommendations section containing sequentially numbered findings in which the auditors note any instances of nonconformity by the agency with applicable laws, rules, regulations, grant agreements, and other standards governing its conduct that were found by the auditors in the course of their review. All findings are discussed with the agency officials during the post audit process.

Each finding generally contains: a description of the condition found; a recommendation by the auditors for corrective action; a response by the agency either accepting or rejecting the auditors' finding; and a description of the agency's plan for addressing the problem.

- A Financial Statement section generally consisting of:
 - Management's discussion and analysis (MD&A) as required supplementary information;
 - Basic financial statements (entity-wide financial statements, fund financial statements, and notes to the financial statements);
 - Required supplementary information other than MD&A.

Additional financial statements may be presented for agencies with special reporting requirements.

Financial Presentation Examined

Auditors' Reports

Findings and Recommendations

Financial Statements

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of Calhoun, Greene, Jersey and Macoupin Counties Regional Office of Education #40 was performed by West & Company, LLC.

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

WEST & COMPANY, LLC

MEMBERS

E. LYNN FREESE
RICHARD C. WEST
KENNETH L. VOGT
BRIAN E. DANIELL
JANICE K. ROMACK
DIANA R. SMITH
D. RAIF PERRY
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INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Calhoun, Greene, Jersey and Macoupin Counties Regional Office of Education #40, as of and for the year ended June 30, 2008, which collectively comprise the Calhoun, Greene, Jersey and Macoupin Counties Regional Office of Education #40's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Calhoun, Greene, Jersey and Macoupin Counties Regional Office of Education #40's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Calhoun, Greene, Jersey and Macoupin Counties Regional Office of Education #40, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 23, 2009 on our consideration of the Calhoun, Greene, Jersey and Macoupin Counties Regional Office of Education #40's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund – Schedule of Funding Progress on pages 16A-16G and 52 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 Calhoun, Greene, Jersey and Macoupin Counties Regional Office of Education #40's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Others are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Others have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

West + Company, LLC

July 23, 2009

WEST & COMPANY, LLC

MEMBERS

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Calhoun, Greene, Jersey and Macoupin Counties Regional Office of Education #40, as of and for the year ended June 30, 2008, which collectively comprise the Calhoun, Greene, Jersey and Macoupin Counties Regional Office of Education #40's basic financial statements and have issued our report thereon dated July 23, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Calhoun, Greene, Jersey and Macoupin Counties Regional Office of Education #40'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 Calhoun, Greene, Jersey and Macoupin Counties Regional Office of Education #40's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Calhoun, Greene, Jersey and Macoupin Counties Regional Office of Education #40's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as 08-01 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies, and, accordingly, would not necessarily disclose all significant deficiencies that are also considered material weaknesses. However, we consider item 08-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Calhoun, Greene, Jersey and Macoupin Counties Regional Office of Education #40's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain matters which we have reported to management of the Calhoun, Greene, Jersey and Macoupin Counties Regional Office of Education #40 in a separate letter dated July 23, 2009.

Calhoun, Greene, Jersey and Macoupin Counties Regional Office of Education #40's response to the finding identified in our audit is described in the accompany Schedule of Findings and Questioned Costs. We did not audit Calhoun, Greene, Jersey and Macoupin Counties Regional Office of Education #40's response and, accordingly, we express no opinion on it.

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

West + Company, LLC

July 23, 2009

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008**

Section I -- Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: UNQUALIFIED

Internal control over financial reporting:

- Material weakness(es) identified? X yes no

- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? N/A yes no

- Significant deficiency(ies) identified that are not considered to be material weakness(es)? N/A yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? N/A yes no

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008**

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

Identification of major programs:

CFDA Number(s)

Name of federal program or cluster

This section is not applicable.

Dollar threshold used to distinguish between Type A and Type B programs: N/A

Auditee qualified as a low-risk auditee? N/A yes no

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008**

Section II - Financial Statement Findings

FINDING NO. 08-01 – Controls Over Financial Statement Preparation (repeat of 07-04)

Criteria/Specific Requirement:

The Regional Office of Education #40 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Regional Office of Education #40 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- Numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.
- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. Detailed testing of accounts payable and accounts receivable noted 4 items totaling \$13,233 had not been recorded to accounts payable and 7 items totaling \$21,142 had not been recorded to accounts receivable.

Effect:

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

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008**

Section II - Financial Statement Findings (Continued)

FINDING NO. 08-01 – Controls Over Financial Statement Preparation (repeat of 07-04)
(Continued)

Cause:

According to Regional Office officials, they did not have adequate funding to hire and/or train their accounting personnel in order to comply with these requirements.

Auditors' Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #40 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

Management's Response:

The Regional Office of Education #40 understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Regional Office accepts the degree of risk associated with this condition because the added expense of seeking additional accounting expertise to prepare and/or review financial statements would take away from the funds available to provide services for the schools in the Region. Presently the Regional Office is in the process of training its personnel to meet the SAS 112 guidelines.

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008**

Section III - Federal Award Findings

No findings were noted for the year ended June 30, 2008.

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
For the year ended June 30, 2008**

Corrective Action Plan

Finding No.: 08-01 – Controls Over Financial Statement Preparation (repeat of 07-04)

Condition:

The Regional Office of Education #40 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- Numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.
- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. Detailed testing of accounts payable and accounts receivable noted 4 items totaling \$13,233 had not been recorded to accounts payable and 7 items totaling \$21,142 had not been recorded to accounts receivable.

Plan:

The Regional Office of Education #40 understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Regional Office accepts the degree of risk associated with this condition because the added expense of seeking additional accounting expertise to prepare and/or review financial statements would take away from the funds available to provide services for the schools in the Region. Presently the Regional Office is in the process of training its personnel to meet the SAS 112 guidelines.

Anticipated Date of Completion:

As soon as possible

Name of Contact Person:

Larry Pfeiffer

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2008**

Finding Number	Condition	Current Status
07-01	Miscoding of an Expenditure	(See Note Below)
07-02	Failure to Review and Reconcile a Bank Account	(See Note Below)
07-03	Inadequate Review of Journal Entries	Finding was not repeated.
07-04	Controls Over Financial Statement Preparation	Repeated as finding 08-01.

Note: Although the Regional Office of Education #40 has not fully implemented the corrective action plans associated with these findings during the fiscal year 2008, they have made significant progress in addressing the conditions. Therefore, the effects of the conditions are inconsequential to the specific programs and the overall financial statements and are now being addressed with management in a separate letter dated July 23, 2009.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2008**

The Regional Office of Education #40 for the Counties of Calhoun, Greene, Jersey, and Macoupin 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, 2008. Readers are encouraged to consider the information in conjunction with the Regional Office of Education #40's financial statements which follow.

2008 FINANCIAL HIGHLIGHTS

- Within the Governmental Funds, the General Fund revenues increased by \$77,617 from \$552,570 in FY07 to \$630,187 in FY08. General Fund expenditures increased by \$63,701 from \$587,678 in FY07 to \$651,379 in FY08.
- Within the Governmental Funds, the Special Revenue Fund revenue decreased by \$48,597 from \$1,089,825 in FY07 to \$1,041,228 in FY08. The Special Revenue Fund expenditures decreased by \$49,223 from \$1,094,630 in FY07 to \$1,045,407 in FY08.

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 of Education #40'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 #40 as a whole and present an overall view of the Office's finances.
- Fund financial statements report the Regional Office of Education #40's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the financial statements provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements and supplementary information provides detailed information about the non-major funds.

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

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

- Over time, increases or decreases in the net assets can be an indicator of whether the 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 the Office's activities as governmental activities and business-type activities. Local, state, and federal aid finance most of these activities.

The fund financial statements provide detailed information about the Regional Office's funds, focusing on its most significant or "major" funds. Funds are accounting devices which allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by state law. The Regional Office of Education #40 established other funds to control and manage money for particular purposes.

The Regional Office of Education #40 has three kinds of funds:

- 1) Governmental funds account for most of the Regional Office of Education #40'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 Regional Office of Education #40's governmental funds include the General Fund and the Special Revenue Funds.

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

- 2) Proprietary funds, namely, Administrators Academy, Staff Development Association, Workshops, Early Childhood Math, and Math and Science Workshop are used to report the same functions presented as business-type activities in the Government-wide financial statements, only in more detail.

The required proprietary funds' financial statements include the 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 #40 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.

A summary reconciliation between the Government-wide financial statements and the governmental fund financial statements follows the governmental fund financial statements.

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 of Education #40. The net assets at the end of the FY08 totaled approximately \$290,071. At the end of FY07, the net assets were approximately \$329,439. The analysis that follows provides a summary of the Office's net assets at June 30, 2008.

CONDENSED STATEMENT OF NET ASSETS

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current Assets	\$349,884	\$ 314,503	(\$5,044)	\$ 20,344	\$344,840	\$ 334,847
Capital Assets, net	<u>96,933</u>	<u>98,545</u>	<u>-</u>	<u>-</u>	<u>96,933</u>	<u>98,545</u>
TOTAL ASSETS	<u>446,817</u>	<u>413,048</u>	<u>(5,044)</u>	<u>20,344</u>	<u>441,773</u>	<u>433,392</u>
Current Liabilities	140,747	96,435	2,978	7,518	143,725	103,953
Noncurrent Liabilities	<u>7,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,977</u>	<u>-</u>
TOTAL LIABILITIES	<u>148,724</u>	<u>96,435</u>	<u>2,978</u>	<u>7,518</u>	<u>151,702</u>	<u>103,953</u>
Net Assets:						
Invested in Capital Assets, net of related debt	87,209	98,545	-	-	87,209	98,545
Restricted for teacher professional development	26,377	21,450	-	-	26,377	21,450
Unrestricted	<u>184,507</u>	<u>196,618</u>	<u>(8,022)</u>	<u>12,826</u>	<u>176,485</u>	<u>209,444</u>
TOTAL NET ASSETS	<u>\$298,093</u>	<u>\$ 316,613</u>	<u>(\$8,022)</u>	<u>\$ 12,826</u>	<u>\$290,071</u>	<u>\$ 329,439</u>

Net assets of the Regional Office of Education #40 decreased by \$39,368 from FY07.

Governmental activities decreased the net assets of the Regional Office of Education #40 by \$18,520.

Business-type activities decreased the net assets of the Regional Office of Education #40 by \$20,848.

Net assets related to the Institute Fund are considered restricted for teacher professional development.

CHANGES IN NET ASSETS

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 84,189	\$ 68,267	\$ 84,189	\$ 68,267
Operating grants & contributions	1,061,265	1,100,480	-	-	1,061,265	1,100,480
Capital grants & contributions	-	39,011	-	-	-	39,011
General revenues:						
Local sources	239,494	228,386	-	-	239,494	228,386
On-behalf payments - Local	97,173	90,534	-	-	97,173	90,534
On-behalf payments - State	272,892	219,953	-	-	272,892	219,953
Interest	591	3,042	-	150	591	3,192
Gain on sale of asset	500	-	-	-	500	-
TOTAL REVENUES	<u>1,671,915</u>	<u>1,681,406</u>	<u>84,189</u>	<u>68,417</u>	<u>1,756,104</u>	<u>1,749,823</u>
Expenses:						
Program expenses:						
Instructional services:						
Salaries and benefits	808,622	745,160	-	-	808,622	745,160
Purchased services	379,494	421,322	-	-	379,494	421,322
Supplies and materials	99,235	152,492	-	-	99,235	152,492
Payments to other governments	513	160	-	-	513	160
Other objects	9,207	10,002	-	-	9,207	10,002
Interest expense	65	-	-	-	65	-
Depreciation	30,391	19,711	-	-	30,391	19,711
Impairment loss on capital asset	480	-	-	-	480	-
Administrative expenses:						
On-behalf payments - Local	97,173	90,534	-	-	97,173	90,534
On-behalf payments - State	272,892	219,953	-	-	272,892	219,953
Business-type expenses						
Instructional	-	-	97,400	71,883	97,400	71,883
TOTAL EXPENSES	<u>1,698,072</u>	<u>1,659,334</u>	<u>97,400</u>	<u>71,883</u>	<u>1,795,472</u>	<u>1,731,217</u>
Changes in Net Assets before Transfers	(26,157)	22,072	(13,211)	(3,466)	(39,368)	18,606
Transfers	7,637	-	(7,637)	-	-	-
Changes in Net Assets	(18,520)	22,072	(20,848)	(3,466)	(39,368)	18,606
Net Assets, beginning of year	<u>316,613</u>	<u>294,541</u>	<u>12,826</u>	<u>16,292</u>	<u>329,439</u>	<u>310,833</u>
Net Assets, end of year	<u>\$ 298,093</u>	<u>\$ 316,613</u>	<u>\$ (8,022)</u>	<u>\$ 12,826</u>	<u>\$ 290,071</u>	<u>\$ 329,439</u>

FINANCIAL ANALYSIS OF THE REGIONAL OFFICE OF EDUCATION #40 FUNDS

As previously noted, the Regional Office of Education #40 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency's Governmental Funds report combined fund balances of \$210,884 for FY08, compared to \$218,068 for FY07.

Governmental Fund Highlights:

- For the fiscal year ended August 31, 2008, Macoupin County continued to support the ROE at 100% with a 2% decrease over FY07.
- Tri-Counties support for the fiscal year ended November 30, 2008
 - Calhoun County continued to support the ROE at 100% with a .1158% increase over FY07.
 - Jersey County continued to support the ROE at 100% with a .0012% increase over FY07.
 - Greene County continued to support the ROE at 50% with a .0265% increase over FY07.
 - Greene County provides only two quarterly payments instead of the required four payments.

Revenues:

- Local sources increased \$11,108.
- State sources increased \$46,666.
- Federal sources decreased by \$85,881.
- On behalf payments increased from local sources \$6,639.
- On behalf payments increased from state sources \$52,939.

Even Start Program revenues decreased by \$53,359 from FY07 and the program ended August 31, 2007.

A new grant, Beginning Teacher Induction and Mentoring, was awarded to the ROE with a budget of \$166,959, of which \$13,480 was expended during FY08.

Generally, total governmental fund revenues increased by \$29,020 and total governmental fund expenditures increased \$14,478 for FY08.

The state aid foundation level used to calculate the state aid received in FY08 increased to \$5,734 per student from \$5,334 per student in the prior year.

Proprietary Fund Highlights:

The increase of revenues and expenses in the proprietary fund in FY08 compared to FY07 was due to the increase in the number of workshops presented in FY08. Increased requirements for No Child Left Behind necessitated a demand for new educational workshops. These new workshops, along with the increased attendance, explain the increase in revenue. To present these additional workshops, expenses (such as presenter's fees, teacher's stipends, supplies, etc.) also increased.

Budgetary Highlights:

The Regional Office of Education #40 did not adopt annual budgets, nor are they legally required to, for all funds under its control. The Regional Superintendent annually prepares an Office Operation Budget and submits it to the four county boards for their approval. The Macoupin County Budget covers a fiscal year which runs from September 1 through August 31. However, the Tri-County Budget, which consists of budgets for Calhoun, Greene, and Jersey Counties, runs from December 1 through November 30. Since these budgets are not based on the same operating period as the Regional Office, they are not presented.

Budgetary reports are presented for certain programs funded by the Illinois State Board of Education and the Illinois Community College Board. These budgets must be prepared and submitted to the awarding agencies for approval. Over the course of the year, the Regional Office amended several of its grant budgets to reflect adjustments in revenue and expenditures associated with changes in funding from the federal and state sources or for additional services and supplies needed. Schedules showing the original budgets and final grant budget amounts compared to the Regional Office's actual financial activity are included in the supplementary information section of this report.

Capital Assets:

Capital assets of the Regional Office of Education #40 include office equipment, computers, audio-visual equipment, office furniture, and building improvements. The Regional Office of Education #40 maintains an inventory of capital assets which have been accumulated over time. For FY08, net capital assets decreased by \$1,612. Total capital outlay for FY08 was \$29,259.

Long-Term Debt:

On April 25, 2008, the Regional Office of Education #40 entered into a five-year loan agreement for \$10,050 for the purpose of purchasing a copier for the office.

Economic Factors and Next Year's Budget:

At the time these financial statements were prepared and audited, the Regional Office of Education #40 was aware of several existing circumstances that could affect its financial health in the future.

- The State of Illinois Foundation level used in the calculation has increased to \$5,734 per student.
- Several grants have remained near or will remain at previous levels.
- Beginning Teacher Induction and Mentoring Grant will have a balance of \$153,479 to spend in FY09.
- Math and Science Partnerships revenue will decrease significantly in FY09, since the grant ended August 31, 2008.
- The ROE will receive a Gifted Education Grant for FY09 with a budget of \$70,225.
- Due to the problems of receiving revenues from the State and programs being cut, the ROE expects a significant financial hardship for FY09.

CONTACTING THE REGIONAL OFFICE OF EDUCATION #40'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Regional Office of Education #40's citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent at the Regional Office of Education #40, 220 North Broad Street, Carlinville, IL 62626.

BASIC FINANCIAL STATEMENTS

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**STATEMENT OF NET ASSETS
June 30, 2008**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash	\$ 292,214	\$ 85	\$ 292,299
Accounts receivable	7,729	-	7,729
Prepaid items	-	3,000	3,000
Investments	205	-	205
Due from other governments	41,607	-	41,607
Internal balances	8,129	(8,129)	-
	349,884	(5,044)	344,840
Total current assets			
Noncurrent assets:			
Capital assets, net	96,933	-	96,933
	446,817	(5,044)	441,773
Total assets			
LIABILITIES			
Current liabilities:			
Accounts payable	12,974	2,978	15,952
Payroll liabilities payable	36,885	-	36,885
Claims payable	3,760	-	3,760
Due to other governments	1,482	-	1,482
Note payable, current	1,747	-	1,747
Deferred revenue	83,899	-	83,899
	140,747	2,978	143,725
Total current liabilities			
Noncurrent liabilities:			
Note payable, noncurrent	7,977	-	7,977
	148,724	2,978	151,702
Total liabilities			
NET ASSETS			
Invested in capital assets, net of related debt	87,209	-	87,209
Restricted for teacher professional development	26,377	-	26,377
Unrestricted (deficit)	184,507	(8,022)	176,485
	298,093	(8,022)	290,071
Total net assets			

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

**CALHOUN, GREENE, JERSEY AND MACCOUN PIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**STATEMENT OF ACTIVITIES
For the year ended June 30, 2008**

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government		Total
					Business-Type Activities		
Governmental activities:							
Instructional services:							
Salaries and benefits	\$ 808,622	\$ -	\$ 650,013	\$ (158,609)	\$ -	\$ -	\$ (158,609)
Purchased services	379,494	-	305,058	(74,436)	-	-	(74,436)
Supplies and materials	99,235	-	79,770	(19,465)	-	-	(19,465)
Capital outlay	-	-	18,610	18,610	-	-	18,610
Payments to other governments	513	-	413	(100)	-	-	(100)
Other objects	9,207	-	7,401	(1,806)	-	-	(1,806)
Interest expense	65	-	-	(65)	-	-	(65)
Depreciation	30,391	-	-	(30,391)	-	-	(30,391)
Impairment loss on capital asset	480	-	-	(480)	-	-	(480)
Administrative:							
On-behalf payments - Local	97,173	-	-	(97,173)	-	-	(97,173)
On-behalf payments - State	272,892	-	-	(272,892)	-	-	(272,892)
Total governmental activities	<u>1,698,072</u>	<u>-</u>	<u>1,061,265</u>	<u>(636,807)</u>	<u>-</u>	<u>-</u>	<u>(636,807)</u>
Business-type activities:							
Instructional	97,400	84,189	-	-	(13,211)	-	(13,211)
Total primary government	<u>\$ 1,795,472</u>	<u>\$ 84,189</u>	<u>\$ 1,061,265</u>	<u>(636,807)</u>	<u>(13,211)</u>	<u>(13,211)</u>	<u>(650,018)</u>
General revenues:							
Local sources				239,494	-	-	239,494
On-behalf payments - Local				97,173	-	-	97,173
On-behalf payments - State				272,892	-	-	272,892
Interest				591	-	-	591
Gain on sale of asset				500	-	-	500
Transfers				7,637	(7,637)	-	-
Total general revenues				<u>618,287</u>	<u>(7,637)</u>	<u>610,650</u>	<u>610,650</u>
Changes in net assets				(18,520)	(20,848)	(39,368)	(39,368)
Net assets - beginning				316,613	12,826	329,439	329,439
Net assets - ending				<u>\$ 298,093</u>	<u>\$ (8,022)</u>	<u>\$ 290,071</u>	<u>\$ 290,071</u>

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

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2008

	General Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash	\$ 76,879	\$ 156,288	\$ 59,047	\$ 292,214
Accounts receivable	4,103	2,598	1,028	7,729
Investments	-	-	205	205
Due from other funds	27,198	-	12,401	39,599
Due from other governments	16,541	22,508	2,558	41,607
	<u>16,541</u>	<u>22,508</u>	<u>2,558</u>	<u>41,607</u>
Total assets	<u>\$ 124,721</u>	<u>\$ 181,394</u>	<u>\$ 75,239</u>	<u>\$ 381,354</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 7,951	\$ 3,745	\$ 1,278	\$ 12,974
Payroll liabilities payable	-	30,464	6,421	36,885
Claims payable	-	1,880	1,880	3,760
Due to other funds	-	29,688	1,782	31,470
Due to other governments	-	1,482	-	1,482
Deferred revenue	-	83,899	-	83,899
	<u>-</u>	<u>83,899</u>	<u>-</u>	<u>83,899</u>
Total liabilities	<u>7,951</u>	<u>151,158</u>	<u>11,361</u>	<u>170,470</u>
FUND BALANCES				
Unreserved, reported in:				
General fund	116,770	-	-	116,770
Special revenue funds	-	30,236	63,878	94,114
	<u>-</u>	<u>30,236</u>	<u>63,878</u>	<u>94,114</u>
Total fund balances	<u>116,770</u>	<u>30,236</u>	<u>63,878</u>	<u>210,884</u>
Total liabilities and fund balances	<u>\$ 124,721</u>	<u>\$ 181,394</u>	<u>\$ 75,239</u>	<u>\$ 381,354</u>

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

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

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

June 30, 2008

Total fund balances - governmental funds	\$ 210,884
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.	96,933
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(9,724)</u>
Net assets of governmental activities	<u>\$ 298,093</u>

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

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

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

For the year ended June 30, 2008

	General Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
Revenues:				
Local sources	\$ 173,047	\$ 2,584	\$ 63,863	\$ 239,494
State sources	87,007	597,316	121,657	805,980
Federal sources	-	255,285	-	255,285
On-behalf payments	370,065	-	-	370,065
Interest	68	287	236	591
Total revenues	630,187	855,472	185,756	1,671,415
Expenditures:				
Instructional services:				
Salaries and benefits	145,340	554,593	108,689	808,622
Purchased services	89,014	228,203	62,277	379,494
Supplies and materials	22,315	59,624	17,296	99,235
Payments to other governments	-	513	-	513
Other objects	995	3,311	4,901	9,207
On-behalf payments	370,065	-	-	370,065
Capital outlay	23,259	5,877	123	29,259
Debt service:				
Principal	326	-	-	326
Interest	65	-	-	65
Total expenditures	651,379	852,121	193,286	1,696,786
Excess (deficiency) of revenues over (under) expenditures	(21,192)	3,351	(7,530)	(25,371)
Other financing sources (uses):				
Transfers in	-	10,314	-	10,314
Transfers out	(2,450)	-	(227)	(2,677)
Proceeds from issuance of debt	10,050	-	-	10,050
Proceeds from sale of asset	-	500	-	500
Total other financing sources (uses)	7,600	10,814	(227)	18,187
Net change in fund balances	(13,592)	14,165	(7,757)	(7,184)
Fund balances, beginning of year	130,362	16,071	71,635	218,068
Fund balances, end of year	\$ 116,770	\$ 30,236	\$ 63,878	\$ 210,884

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

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**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, 2008**

Net change in fund balances \$ (7,184)

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	29,259	
Depreciation expense	<u>(30,391)</u>	(1,132)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt. (9,724)

The impairment loss reported on the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds. (480)

Change in net assets of governmental activities \$ (18,520)

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

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2008**

	Business-Type Activities Enterprise Funds		
	Workshops	Other	Totals
		Enterprise Funds	
ASSETS			
Cash	\$ -	\$ 85	\$ 85
Prepaid items	3,000	-	3,000
Total assets	3,000	85	3,085
LIABILITIES			
Accounts payable	2,978	-	2,978
Due to other funds	8,129	-	8,129
Total liabilities	11,107	-	11,107
NET ASSETS			
Unrestricted (deficit)	\$ (8,107)	\$ 85	\$ (8,022)

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

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the year ended June 30, 2008**

	Business-Type Activities		
	Enterprise Funds		
	Workshops	Other Enterprise Funds	Totals
Operating revenues:			
Charges for services	\$ 82,809	\$ 1,380	\$ 84,189
Operating expenses:			
Salaries and benefits	-	3,619	3,619
Purchased services	71,166	197	71,363
Supplies and materials	22,322	96	22,418
Total operating expenses	93,488	3,912	97,400
Operating loss	(10,679)	(2,532)	(13,211)
Transfers in	771	4,875	5,646
Transfers out	(12,512)	(771)	(13,283)
Net transfers	(11,741)	4,104	(7,637)
Change in net assets	(22,420)	1,572	(20,848)
Net assets - beginning	14,313	(1,487)	12,826
Net assets - ending	\$ (8,107)	\$ 85	\$ (8,022)

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

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended June 30, 2008**

	Business-Type Activities		
	Enterprise Funds		
	Workshops	Other Enterprise Funds	Totals
Cash flows from operating activities:			
Collection of fees	\$ 82,809	\$ 1,380	\$ 84,189
Payment to suppliers and providers of goods and services	(100,943)	(293)	(101,236)
Payment to employees	-	(3,704)	(3,704)
Net cash used for operating activities	<u>(18,134)</u>	<u>(2,617)</u>	<u>(20,751)</u>
Cash flows from noncapital financing activities:			
Loans from other funds	8,129	-	8,129
Repayment of loans from other funds	-	(4,875)	(4,875)
Transfers in	771	4,875	5,646
Transfers out	(12,512)	(771)	(13,283)
Net cash used for noncapital financing activities	<u>(3,612)</u>	<u>(771)</u>	<u>(4,383)</u>
Net decrease in cash	(21,746)	(3,388)	(25,134)
Cash - beginning	<u>21,746</u>	<u>3,473</u>	<u>25,219</u>
Cash - ending	<u>\$ -</u>	<u>\$ 85</u>	<u>\$ 85</u>
Reconciliation of operating loss to net cash used for operating activities:			
Operating loss	\$ (10,679)	\$ (2,532)	\$ (13,211)
Adjustments to reconcile operating loss to net cash used for operating activities:			
Increase in prepaid items	(3,000)	-	(3,000)
Decrease in accounts payable	(4,455)	-	(4,455)
Decrease in payroll liabilities	-	(85)	(85)
Net cash used for operating activities	<u>\$ (18,134)</u>	<u>\$ (2,617)</u>	<u>\$ (20,751)</u>

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

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2008**

	<u>Agency Funds</u>
ASSETS	
Cash	<u>\$ 4,638</u>
LIABILITIES	
Due to other governments	<u>\$ 4,638</u>

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

NOTES TO FINANCIAL STATEMENTS

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #40's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental units of this type.

A. Reporting Entity

The Regional Office of Education #40 was created by Illinois Public Act 76-735, as amended, effective August 8, 1995. The region encompasses Calhoun, Greene, Jersey and Macoupin counties.

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

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

The Regional Office of Education #40 derives its oversight power and authority over the school districts from the School Code and is responsible for its own fiscal and budgetary matters. The Regional Office of Education #40 exercises no oversight responsibility on financial interdependency, selection of governing authority, designation of management or the ability to significantly influence the operations of any other outside agencies. Control or dependency is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing order. Therefore, no other agency has been included as a component unit in the Regional Office of Education #40's financial statements. In addition, the Regional Office of Education #40 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education #40 being considered a component unit of the entity.

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements

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

The Statement of Net Assets includes all of the Regional Office of Education #40's assets and liabilities, including capital assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Regional Office of Education #40 considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

It is the Regional Office of Education #40's policy to first apply restricted resources when an expenditure or expense is incurred for which both restricted and unrestricted resources are available.

The Regional Office of Education #40 reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Regional Office of Education #40 and is used to account for all financial resources that are not legally restricted for expenditure for specified purposes. This fund is available to pay general and administrative expenditures of the Regional Office of Education #40. Included among these funds are:

Administrative Fund – This fund is the general operating fund of the Regional Office of Education #40. It is used to account for all financial resources except those required to be accounted for in another fund.

Testing Center – The Regional Testing Program purchases, maintains and circulates an inventory of testing materials to administer the Iowa Test of Basic Skills and the Cognitive Ability Test to the school districts of the region for all grade levels.

Jerseyville Office Account – Accounts for operations at the Jerseyville Regional Office of Education #40 office.

ROE/ISC Operations – Accounts for grant monies received and expended for general and administrative expenditures.

Direct Services Fund – This fund is used for student testing and cooperative services conducted through the Regional Office of Education #40 for the benefit of member districts.

Regional Initiative Fund – This fund is utilized for special regional initiatives with the consent and approval of the Macoupin County district superintendents.

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

Truants Alternative/Optional Education – Accounts for grant monies received for providing truancy prevention programming and monitoring of truants.

Mini Grants – Provides funds to increase student academic achievement by evaluating teacher and principal quality and to support reform efforts aimed at improving education. This fund includes the following programs: Title II – Teacher Quality (08-4932-00), Title V – Innovative Programs (08-4100-00), and Title IV – Safe and Drug Free Schools (08-4400-00).

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Education (Continued)

Regional Safe Schools – Enrolls at-risk students who are eligible for suspension or expulsion from their home school districts. The purpose of the program is to keep students on track academically while providing them with the strategies necessary for improving their pro-social skills. This fund receives Regional Safe Schools State Aid, which is General State Aid from the Illinois State Board of Education based on the average daily attendance at the Safe School.

Title II - Coop – Accounts for workshops for teachers in areas of math, science, and technology.

Adult Education - Performance – Enhances the educational opportunities for Adult Education students by empowering them through responsible learning experiences.

Adult Education - State Basic – Used to empower learners by raising their awareness of the importance of education and training through increasing their learning skills, their knowledge of themselves, their relationship to their communities, and their workplace awareness.

Adult Education - Public Assistance – Increases students' learning potential with the intent that they will raise their skills to become more employable and find regular employment, thereby removing them from the public aid rolls.

National School Lunch – Used to account for the monies received from students and federal funds for reimbursement for meals served through the school lunch program at the regular price as well as reimbursement of free and reduced-price meals for students enrolled in the Regional Safe Schools Program.

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

Even Start – Creates a comprehensive network of resources, agencies, and individuals linked together by Even Start to provide a system to meet the educational, social, emotional, physical, and financial needs of at-risk families.

CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Education (Continued)

Regional System of Support Provider (RESPRO) – Provides comprehensive programs, interventions, and services to school districts that have not made adequate yearly progress according to No Child Left Behind (NCLB) guidelines. This grant is federally funded through NCLB.

Mathematics and Science Partnerships – Provides in-service training for math and science teachers of grades four through twelve. The content focus relates the math and science content to the current Illinois Learning Standards.

Standards Aligned Classroom – Creates and supports ongoing learning teams focused on alignment of classroom level assessment and instruction.

Preschool Monitoring – To account for a grant that provides consultants to determine the compliance of preschools.

English Language Learners Professional Development – Provides training, resources, and support to increase the knowledge of the ROE and school districts' staff on English Language Learners.

Beginning Teacher Induction and Mentoring – To develop an induction and mentoring program that will service the needs of the ROE's fifteen school districts.

Illinois New Principal Mentoring – To ensure that every new principal in Illinois receives a high-quality mentoring experience so he or she thrives the first year and beyond. The Program is defined by standards and criteria that focuses on professional development experiences and enhances a new principal's leadership.

The Regional Office of Education #40 reports the following nonmajor governmental funds:

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

General Education Development – Accounts for the administration of the General Education Development (GED) Testing Program with revenues from testing and diploma fees used to pay administrative expenses incurred.

CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Special Revenue Funds (Continued)

Seventh Judicial Family Violence – Provides instruction for violence in the school districts.

Bus Driver – Accounts for funds received from registrations and user fees which are used to test and train bus drivers.

Institute – Accounts for the stewardship of the assets held in trust for the benefit of teachers. The money is used to provide institutes, conferences, and workshops. All funds generated remain restricted until expended only on the aforementioned activities.

Olympiad Fund – Accounts for a four-day event involving gifted students using activities designed directly applicable to the State Learning Standards. These activities are intended to challenge students to exercise higher level intellectual skills and talents.

Trustee – Deals with the issue of detachments and annexation of territory from one school district to another.

Supervisory – Proceeds provided by the Illinois State Board of Education to the Regional Superintendent for travel and related purposes.

Student Social Services – Provides support to one school district in Macoupin County for linkage to resources and pro-social groups to students (i.e. teen dating, cyber-bullying, sex education).

Truancy – Processes truancy referrals from the nine districts in Macoupin County, makes contact with the parents and the child(ren), coordinates with the local police departments and sheriff's department, the court system, social service agencies, and the schools.

Alternative Schools – Accounts for funds received to educate, serve, and support students, at no cost to the students, in an effort to improve the quality of life of high school dropouts. The funds are used to provide basic skills, obtain high school credit, or prepare for the GED test.

The Regional Office of Education #40 reports the following major proprietary fund:

Workshops – This Enterprise Fund accounts for expenses incurred for workshops that offer either college credit or other professional development activities.

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Regional Office of Education #40 reports the following nonmajor proprietary funds:

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

Early Childhood Math – Accounts for staff development for teachers of PreK-2 in the Best Practices of math instruction in the classroom. This is aligned with the Illinois Learning Standards.

Administrators' Academy – Accounts for the process by which local school administrators meet the legislated requirement for training and by which administrators may improve their skills in instructional and administrative leadership.

Math and Science Workshop – This fund was established to hold Math & Science Workshops for all teachers in Calhoun-Greene-Jersey-Macoupin Counties. Each teacher is asked to pay a workshop fee to help defray the cost of the workshop (speaker, supplies, etc.).

Staff Development Association – This fund was created as a revolving fund for workshop fees collected and workshop expenses paid.

Additionally, the Regional Office of Education #40 reports the following fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the Regional Office of Education #40 in a custodial capacity or as an agent for other governments. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the outside organizations are equal to the assets held. Included among these funds are:

Distributive – Accounts for monies received from the State through the Illinois Funds for disbursement to other governments or funds.

Central Illinois Rural Region Career & Technical Education System – Accounts for the assets held in trust for the benefit of the Central Illinois Rural Region Career & Technical Education System.

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Calhoun, Greene, Jersey and Macoupin Counties Regional Office of Education #40's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services and administrative expenses.

D. Assets, Liabilities, and Net Assets or Equity

1. Cash and Investments

The Regional Office of Education #40 considers cash on hand, checking accounts, savings accounts, and investments held with an original maturity date of less than three months to be cash and cash equivalents. State regulations require that Regional Office of Education #40 deposit funds under its control into accounts insured by the federal government, accounts secured by substantial collateral, or pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

Statutes authorize the Regional Office of Education #40 to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

2. Interfund Transactions

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

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Equipment and furniture	3-10
Building improvements	10-15

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

4. Compensated Absences

Employees earn vacation days after completing a full year of service. Part-time employees and individuals hired for less than a twelve month position do not accumulate paid vacation time. Vacation days must be taken within a reasonable amount of time or they are lost.

Employees receive one sick day for each month of employment and the unused portion is accumulated and carried forward. Upon termination, employees do not receive any sick leave pay. Thus, employee sick leave is recorded when paid.

CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

5. **Equity Classifications**

Government-wide Statements

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

Invested in capital assets, net of related debt - Consists of capital assets, net of accumulated depreciation, less outstanding principal of related debt.

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

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

Fund Statements

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

E. **New Accounting Pronouncement**

The Regional Office of Education #40 has implemented GASB Statement No. 50, *Pension Disclosures an Amendment of GASB Statements No. 25 and No. 27*, effective for the fiscal year beginning July 1, 2007. The Statement changed the way that the Regional Office of Education #40 discloses its pension information. The Regional Office of Education #40 has also implemented GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entry Transfers of Assets and Future Revenues*, effective for the fiscal year beginning July 1, 2007. This Statement had no effect on the Regional Office of Education #40's net assets or changes in net assets.

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes a reconciliation between *net change in fund balances – governmental funds* and *change in net assets of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$1,132 difference are as follows:

Capital outlay	\$ 29,259
Depreciation expense	<u>(30,391)</u>
Net adjustment to decrease net changes in fund balances - governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (1,132)</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The details of the reconciling amount are as follows:

Debt issued or incurred:	
Notes payable	\$ (10,050)
Principal repayments:	
Notes payable	<u>326</u>
Net adjustment to decrease "net changes in fund balances, governmental funds" to arrive at "changes in net assets of governmental activities"	<u>\$ (9,724)</u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

3. BUDGETS AND BUDGETARY ACCOUNTING

The Regional Office of Education #40 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

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

4. USE OF ESTIMATES

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

5. INTEREST ON DISTRIBUTIVE FUND ACCOUNTS

Interest on Distributive Fund receipts is distributed to funds in proportion to their share of average cash balance.

6. DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2008, the carrying amounts of the Regional Office of Education #40's deposits for the governmental activities, business-type activities, and fiduciary funds were \$292,214, \$85 and \$4,638, respectively. The bank balances for the governmental and business-type activities totaled \$320,746, while the bank balances for the fiduciary funds totaled \$5,185. Of the total bank balance for the governmental and business-type activities as of June 30, 2008, \$128,385 was secured by federal depository insurance and \$192,361 was collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education #40's name. Of the total bank balance for the fiduciary funds as of June 30, 2008, \$5,185 was secured by federal depository insurance.

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

6. DEPOSITS AND INVESTMENTS (Continued)

B. Investments

The Illinois Funds Money Market Fund account has a balance of \$205 at June 30, 2008. This amount is fully collateralized and not subject to credit risk.

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Building improvements	\$ 17,130	\$ -	\$ -	\$ 17,130
Equipment and furniture	<u>275,747</u>	<u>29,259</u>	<u>(11,800)</u>	<u>293,206</u>
Total capital assets being depreciated	<u>292,877</u>	<u>29,259</u>	<u>(11,800)</u>	<u>310,336</u>
Less accumulated depreciation for:				
Building improvements	(7,466)	(1,245)	-	(8,711)
Equipment and furniture	<u>(186,866)</u>	<u>(29,146)</u>	<u>11,320</u>	<u>(204,692)</u>
Total accumulated depreciation	<u>(194,332)</u>	<u>(30,391)</u>	<u>11,320</u>	<u>(213,403)</u>
Governmental activities capital assets, net	<u>\$ 98,545</u>	<u>\$ (1,132)</u>	<u>\$ (480)</u>	<u>\$ 96,933</u>

Depreciation expense was charged to functions/programs of Regional Office of Education #40 as follows:

Governmental activities:	
Instructional services:	
Depreciation	<u>\$ 30,391</u>

Idle Impaired Capital Assets

The impairment loss of \$480 is due to a lightning strike to a wireless bridge on an antenna at one of the safe school buildings. The repair cost was less than the insurance deductible but more than obtaining a DSL line for the school. The antenna is currently idle. Although the Regional Office of Education #40 hopes to sell the antenna, the estimated carrying value of the antenna is zero.

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

The Regional Office of Education #40 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2008, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2007 and 2006.

In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The employer THIS Fund contribution was 0.63 percent during the year ended June 30, 2008, and the member THIS Fund health insurance contribution was 0.84 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #40's TRS-covered employees.

On-Behalf Contributions - The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #40. For the year ended June 30, 2008, State of Illinois contributions were based on 13.11 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #40 recognized revenue and expenditures of \$51,727 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2007, and June 30, 2006, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 9.78 percent (\$33,286) and 7.06 percent (\$24,910), respectively.

The state contributions to TRS for the year ended June 30, 2008 were based on an actuarial formula. The state contributions for the years ended June 30, 2007 and June 30, 2006 were based on dollar amounts specified by the statute and were not actuarially determined.

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

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

The Regional Office of Education #40 makes other types of employer contributions directly to TRS.

2.2 Formula Contributions - Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2008 were \$2,289. Contributions for the years ended June 30, 2007, and June 30, 2006 were \$1,974 and \$2,046, 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 #40, there is a statutory requirement for the Regional Office of Education #40 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2008, the employer pension contribution was 13.11 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2007 and 2006, the employer pension contribution was 9.78 and 7.06 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2008, salaries totaling \$46,428 were paid from federal and special trust funds that required employer contributions of \$6,087. For the years ended June 30, 2007 and June 30, 2006, required Regional Office of Education #40 contributions were \$3,698 and \$5,222, respectively.

Early Retirement Option - The Regional Office of Education #40 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires.

Under Public Act 94-0004, a "Pipeline ERO" program was provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retired on or before July 1, 2007. If members did not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies for the Pipeline ERO).

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

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

Under the Pipeline ERO, the maximum employer contribution was 100 percent of the member's highest salary used in the final average salary calculation.

Under the Modified ERO, the maximum employer contribution is 117.5 percent.

Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement.

For the three years ended June 30, 2008, the Regional Office of Education #40 paid no employer contributions under the Early Retirement Option.

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

If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the three years ended June 30, 2008, the Regional Office of Education #40 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.62 percent of salary during the year ended June 30, 2008).

For the three years ended June 30, 2008, the Regional Office of Education #40 made no payments to TRS for sick leave days granted in the excess of the normal annual allotment.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2007. The report for the year ended June 30, 2008, is expected to be available in late 2008.

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

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund

Plan Description - The Regional Office of Education #40'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 #40'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 #40 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 2007 was 10.30 percent of annual covered payroll. The Regional Office of Education #40 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost - For 2007, the Regional Office of Education #40's annual pension cost of \$25,552 for the regular plan was equal to the Regional Office of Education #40's required and actual contributions.

Three-Year Trend Information for the Regular Plan

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2007	\$ 25,552	100%	\$ -
12/31/2006	25,759	100%	-
12/31/2005	26,149	100%	-

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund (Continued)

The required contribution was determined as part of the December 31, 2005, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2005, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3.0 percent annually. The actuarial value of the Regional Office of Education #40'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 15 percent corridor between the actuarial and market value of assets. The Regional Office of Education #40's regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 5 years.

Funded Status and Funding Progress – As of December 31, 2007, the most recent actuarial valuation date, the regular plan was 89.66 percent funded. The actuarial accrued liability for benefits was \$480,041 and the actuarial value of assets was \$430,419, resulting in an underfunded actuarial accrued liability (UAAL) of \$49,622. The covered payroll (annual payroll of active employees covered by the plan) was \$248,075 and the ratio of the UAAL to the covered payroll was 20 percent.

The schedule of funding progress, presented as required supplementary information (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.

C. Social Security

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

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

9. INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2008, interfund receivables and payables were as follows:

Due To (Receivable)	Due From (Payable)	Balance at June 30, 2008
General Fund: Regional Initiative Fund	Workshops Fund	\$ 8,129
General Fund: Regional Initiative Fund Regional Initiative Fund	Education Fund: Regional System of Support Provider Illinois New Principal Mentoring	16,363 924 <u>17,287</u>
General Fund: Regional Initiative Fund	Nonmajor Governmental Fund: Student Social Services	1,782
Nonmajor Governmental Fund: Alternative Schools Alternative Schools	Education Fund: Adult Education - Performance Adult Education - Public Assistance	1,870 10,531 <u>12,401</u>
		\$ 39,599

The interfund balances between the General Fund and the Workshops Fund, the Education Fund and the Nonmajor Governmental Fund, as well as the balances between the Nonmajor Governmental Fund and the Education Fund are within the same pooled cash account. The amounts are cash balances borrowed from the General Fund by the Workshops Fund, Education Fund, the Nonmajor Governmental Fund and from the Nonmajor Governmental Fund by the Education Fund.

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

10. LONG-TERM LIABILITIES

Note payable

The Regional Office of Education #40 has issued the following note:

	<u>Interest Rate</u>	<u>Amount</u>
Governmental activities:		
Carlinsville National Bank note, served by the General Fund, proceeds used to purchase a copier	6.25%	<u>\$ 9,724</u>

Notes payable debt service requirements to maturity are as follows:

Year Ending June 30,	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 1,747	\$ 599
2010	1,899	447
2011	2,022	324
2012	2,152	194
2013	1,904	50
Total	<u>\$ 9,724</u>	<u>\$ 1,614</u>

Changes in Long-Term Liabilities

Total long-term liability activity for the year ended June 30, 2008 was as follows:

	<u>Balance at July 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2008</u>	<u>Due Within One Year</u>
Note payable for copier	<u>\$ -</u>	<u>\$ 10,050</u>	<u>\$ 326</u>	<u>\$ 9,724</u>	<u>\$ 1,747</u>

11. BOND

The 105 ILCS 5/3-2 directs the Regional Office of Education #40 to execute a bond of not less than \$100,000 on the Regional Superintendent. The Regional Office of Education #40 has secured and maintained such a bond with coverage of \$100,000 on the Regional Superintendent.

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

12. ON-BEHALF PAYMENTS

The Regional Office of Education #40 has received on-behalf payments for employee salaries and benefits and purchased services from the following governmental entities:

Macoupin County:	
Office salaries and benefits	\$ 68,519
Purchased services	<u>28,654</u>
Macoupin County total	<u>97,173</u>
State of Illinois:	
Regional Superintendent - salary	101,218
Regional Superintendent - benefits (includes State paid insurance)	12,424
Assistant Regional Superintendent - salary	91,097
Assistant Regional Superintendent - benefits (includes State paid insurance)	16,426
TRS pension contributions	<u>51,727</u>
State of Illinois total	<u>272,892</u>
	<u><u>\$ 370,065</u></u>

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

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

13. RISK MANAGEMENT – CLAIMS AND JUDGMENTS

The Regional Office of Education #40 is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation; and natural disasters. The Regional Office of Education #40 is covered by commercial insurance to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years; however, a lawsuit that was denied coverage from the insurance company was settled for \$10,000 during the year ended June 30, 2006.

14. CONTINGENCIES

The Regional Office of Education #40 has received funding from federal and State grants in the current and prior years which are subject to audits by granting agencies. The Regional Office of Education #40 believes that any adjustments that may arise will be insignificant to Regional Office of Education #40 operations.

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

15. OPERATING LEASES

During the fiscal year ended June 30, 2004, the Regional Office of Education #40 entered into a lease agreement for the building located at Carlinville Plaza, Route 4, Space #9, Carlinville, Illinois. This lease called for monthly payments of \$1,815 through June 30, 2008. During the year ended June 30, 2008, the Regional Office of Education #40 entered into a sixty month extension of this lease. The lease extension calls for a monthly lease payment of \$1,815 through June 30, 2009 and increases variably through June 30, 2013.

For financial accounting purposes, this lease is considered an operating lease.

Future minimum payments are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2009	\$ 21,774
2010	22,863
2011	24,000
2012	24,000
2013	<u>25,200</u>
	<u><u>\$ 117,837</u></u>

During the fiscal year ended June 30, 2008, the Regional Office of Education entered into another lease agreement for the building located at 301 South Jefferson Street, Jerseyville, Illinois. This lease calls for monthly payments of \$2,800 through September 30, 2010.

For financial accounting purposes, this lease is considered an operating lease.

Future minimum payments are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2009	\$ 33,600
2010	33,600
2011	<u>8,400</u>
	<u><u>\$ 75,600</u></u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

16. DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #40's Agency Funds and various grant programs have funds due to and due from various other governmental units which consist of the following:

Due From Other Governments	
General Fund:	
Illinois State Board of Education	\$ 6,500
Jersey County	9,461
Various Local School Districts	580
Education Fund:	
Illinois Community College Board	14,841
Illinois State Board of Education	25
Regional Office of Education #50	7,642
Nonmajor Governmental Fund:	
Illinois State Board of Education	2,003
Illinois Family Violence	555
Total	<u>\$ 41,607</u>
Due To Other Governments	
Education Fund:	
Regional Office of Education #27	\$ 1,255
Illinois Community College Board	227
Total	<u>\$ 1,482</u>
Fiduciary Fund:	
Central Illinois Rural Regional Career & Technical Education System	<u>\$ 4,638</u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

17. SCHEDULE OF TRANSFERS

Transfers From Other Funds (Transfers In)	Transfers To Other Funds (Transfers Out)
Education Fund:	General Fund:
Mathematics and Science Partnerships \$ 586	Regional Initiative Fund \$ 586
Preschool Monitoring 1,120	Regional Initiative Fund 1,120
Truants Alternative/Optional Education 286	Jerseyville Office Account 286
Even Start 458	Administrative Fund 458
Education Fund:	Nonmajor Governmental Fund:
Adult Education - State Basic 227	Alternative Schools 227
Education Fund:	
Title II-Coop 7,637	Workshops Fund 7,637
Workshops Fund 771	Nonmajor Proprietary Fund:
	Math & Science Workshop 771
Nonmajor Proprietary Fund:	
Staff Development Association 2,832	Workshops Fund 2,832
Early Childhood Math 2,043	Workshops Fund 2,043
\$ 15,960	\$ 15,960

Transfers from the General Fund to the Education Fund were to cover expenditures that exceeded grant revenue and refunds due to the Illinois State Board of Education. The transfer from the Nonmajor Governmental Fund to the Education Fund was to cover a refund due to the Illinois Community College Board. The remaining transfers between the Workshops Fund and the Education Fund and Nonmajor Proprietary Fund were to close out an Education Fund account and three proprietary funds.

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

18. DEFICIT FUND BALANCES

The following individual funds carried the following deficit balances as of June 30, 2008:

Administrative Fund	\$ 4,893
Adult Education - Public Assistance	\$ 2,164
Adult Education - Federal Basic	\$ 1,653
Regional System of Support Provider	\$ 8,721
Preschool Monitoring	\$ 1,255
Student Social Services	\$ 4,396

The Regional Office of Education #40 intends to reduce these deficits by reducing expenditures in future periods.

19. NEGATIVE NET ASSETS

The following individual fund had negative net assets as of June 30, 2008:

Workshops	\$ 8,107
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The Regional Office of Education #40 intends to reduce this deficit by reducing expenses in future periods.

20. RECLASSIFICATIONS

The Regional Office of Education #40 reclassified its Alternative Schools fund as an Other Nonmajor Fund. Therefore, fund balances have been reclassified as follows:

	Alternative Schools	Other Nonmajor Funds
	<u> </u>	<u> </u>
Fund balance at June 30, 2007	\$ 29,671	\$ 41,964
Reclassification adjustments	<u>(29,671)</u>	<u>29,671</u>
Fund balance restated at June 30, 2007	<u>\$ -</u>	<u>\$ 71,635</u>

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

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
UNAUDITED**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2007	\$ 430,419	\$ 480,041	\$ 49,622	89.66%	\$ 248,075	20.00%
12/31/2006	360,980	435,068	74,088	82.97%	281,519	26.32%
12/31/2005	363,802	384,614	20,812	94.59%	283,302	7.35%

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$465,711. On a market basis, the funded ratio would be 97.01%.

Digest of Changes:

The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002-2004 Experience Study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For regular members, fewer normal and more early retirements are expected to occur.

SUPPLEMENTAL INFORMATION

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2008**

	<u>Administrative Fund</u>	<u>Testing Center</u>	<u>Jerseyville Office Account</u>	<u>ROE/ISC Operations</u>
ASSETS				
Cash	\$ -	\$ 16,434	\$ 14,751	\$ -
Accounts receivable	4,103	-	-	-
Due from other funds	-	-	-	-
Due from other governments	6,500	-	9,461	-
	<u>6,500</u>	<u>-</u>	<u>9,461</u>	<u>-</u>
Total assets	<u>\$ 10,603</u>	<u>\$ 16,434</u>	<u>\$ 24,212</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 7,696	\$ 255	\$ -	\$ -
Due to other funds	7,800	-	-	-
	<u>7,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	15,496	255	-	-
FUND BALANCES				
Unreserved	<u>(4,893)</u>	<u>16,179</u>	<u>24,212</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 10,603</u>	<u>\$ 16,434</u>	<u>\$ 24,212</u>	<u>\$ -</u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
GENERAL FUND
June 30, 2008**

	Direct Services	Regional Initiative Fund	Eliminations	Totals
ASSETS				
Cash	\$ 37,416	\$ 8,278	\$ -	\$ 76,879
Accounts receivable	-	-	-	4,103
Due from other funds	-	34,998	(7,800)	27,198
Due from other governments	580	-	-	16,541
Total assets	\$ 37,996	\$ 43,276	\$ (7,800)	\$ 124,721
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 7,951
Due to other funds	-	-	(7,800)	-
Total liabilities	-	-	(7,800)	7,951
FUND BALANCES				
Unreserved	37,996	43,276	-	116,770
Total liabilities and fund balances	\$ 37,996	\$ 43,276	\$ (7,800)	\$ 124,721

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the year ended June 30, 2008**

	Administrative Fund	Testing Center	Jerseyville Office Account	ROE/ISC Operations
Revenues:				
Local sources	\$ 63,713	\$ 26,429	\$ 60,026	\$ -
State sources	6,500	-	-	80,507
On-behalf payments	370,065	-	-	-
Interest	57	-	-	11
Total revenues	440,335	26,429	60,026	80,518
Expenditures:				
Salaries and benefits	686	-	60,689	83,965
Purchased services	36,527	14,389	5,816	12,621
Supplies and materials	6,553	13,857	1,143	271
Capital outlay	10,649	-	-	-
Other objects	-	-	995	-
Debt service:				
Principal	326	-	-	-
Interest	65	-	-	-
On-behalf payments	370,065	-	-	-
Total expenditures	424,871	28,246	68,643	96,857
Excess (deficiency) of revenues over (under) expenditures	15,464	(1,817)	(8,617)	(16,339)
Other financing sources (uses):				
Transfers in	-	-	-	14,643
Transfers out	(458)	(7,321)	(286)	-
Proceeds from issuance of debt	10,050	-	-	-
Total other financing sources (uses)	9,592	(7,321)	(286)	14,643
Net change in fund balances	25,056	(9,138)	(8,903)	(1,696)
Fund balances (deficits), beginning of year	(29,949)	25,317	33,115	1,696
Fund balances (deficits), end of year	\$ (4,893)	\$ 16,179	\$ 24,212	\$ -

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)**

**GENERAL FUND ACCOUNTS
For the year ended June 30, 2008**

	Direct Services	Regional Initiative Fund	Eliminations	Totals
Revenues:				
Local sources	\$ 22,879	\$ -	\$ -	\$ 173,047
State sources	-	-	-	87,007
On-behalf payments	-	-	-	370,065
Interest	-	-	-	68
Total revenues	<u>22,879</u>	<u>-</u>	<u>-</u>	<u>630,187</u>
Expenditures:				
Salaries and benefits	-	-	-	145,340
Purchased services	19,661	-	-	89,014
Supplies and materials	301	190	-	22,315
Capital outlay	12,610	-	-	23,259
Other objects	-	-	-	995
Debt service:				
Principal	-	-	-	326
Interest	-	-	-	65
On-behalf payments	-	-	-	370,065
Total expenditures	<u>32,572</u>	<u>190</u>	<u>-</u>	<u>651,379</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,693)</u>	<u>(190)</u>	<u>-</u>	<u>(21,192)</u>
Other financing sources (uses):				
Transfers in	-	-	(14,643)	-
Transfers out	-	(9,028)	14,643	(2,450)
Proceeds from issuance of debt	-	-	-	10,050
Total other financing sources (uses)	<u>-</u>	<u>(9,028)</u>	<u>-</u>	<u>7,600</u>
Net change in fund balances	(9,693)	(9,218)	-	(13,592)
Fund balances (deficits), beginning of year	<u>47,689</u>	<u>52,494</u>	<u>-</u>	<u>130,362</u>
Fund balances (deficits), end of year	<u>\$ 37,996</u>	<u>\$ 43,276</u>	<u>\$ -</u>	<u>\$ 116,770</u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND ACCOUNTS
ROE/ISC OPERATIONS - PROJECT #08-3730-00
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources	\$ 78,727	\$ 80,507	\$ 80,507	\$ -
Interest	-	-	11	11
Total revenues	<u>78,727</u>	<u>80,507</u>	<u>80,518</u>	<u>11</u>
Expenditures:				
Salaries and benefits	68,727	70,507	83,965	(13,458)
Purchased services	9,000	9,000	12,621	(3,621)
Supplies and materials	1,000	1,000	271	729
Total expenditures	<u>78,727</u>	<u>80,507</u>	<u>96,857</u>	<u>(16,350)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(16,339)	<u>\$ (16,339)</u>
Other financing sources:				
Transfers in			<u>14,643</u>	
Net change in fund balance			(1,696)	
Fund balance, beginning of year			<u>1,696</u>	
Fund balance, end of year			<u>\$ -</u>	

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2008**

	Truants Alternative/ Optional Education	Mini Grants	Regional Safe Schools
ASSETS			
Cash	\$ 3,150	\$ -	\$ 60,393
Accounts receivable	-	-	-
Due from other governments	-	-	-
Total assets	\$ 3,150	\$ -	\$ 60,393
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 233
Payroll liabilities payable	3,102	-	16,504
Claims payable	-	-	1,880
Due to other funds	-	-	-
Due to other governments	-	-	-
Deferred revenue	-	-	-
Total liabilities	3,102	-	18,617
FUND BALANCES			
Unreserved	48	-	41,776
Total liabilities and fund balances	\$ 3,150	\$ -	\$ 60,393

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2008**

	<u>Title II - Coop</u>	<u>Adult Education - Performance</u>	<u>Adult Education - State Basic</u>
ASSETS			
Cash	\$ -	\$ -	\$ 3,111
Accounts receivable	-	-	-
Due from other governments	-	4,000	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 3,111</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Payroll liabilities payable	-	2,130	2,882
Claims payable	-	-	-
Due to other funds	-	1,870	-
Due to other governments	-	-	227
Deferred revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	-	4,000	3,109
FUND BALANCES			
Unreserved	-	-	2
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 3,111</u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2008**

	<u>Adult Education - Public Assistance</u>	<u>National School Lunch</u>	<u>Adult Education - Federal Basic</u>
ASSETS			
Cash	\$ -	\$ 2,160	\$ 910
Accounts receivable	-	-	-
Due from other governments	<u>10,841</u>	<u>25</u>	<u>-</u>
Total assets	<u>\$ 10,841</u>	<u>\$ 2,185</u>	<u>\$ 910</u>
LIABILITES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Payroll liabilities payable	2,474	-	2,563
Claims payable	-	-	-
Due to other funds	10,531	-	-
Due to other governments	-	-	-
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	13,005	-	2,563
FUND BALANCES			
Unreserved	<u>(2,164)</u>	<u>2,185</u>	<u>(1,653)</u>
Total liabilities and fund balances	<u>\$ 10,841</u>	<u>\$ 2,185</u>	<u>\$ 910</u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2008**

	Even Start	Regional System of Support Provider	Mathematics and Science Partnerships
ASSETS			
Cash	\$ -	\$ -	\$ 3,493
Accounts receivable	-	-	1,674
Due from other governments	-	7,642	-
	-	7,642	-
Total assets	\$ -	\$ 7,642	5,167
LIABILITES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 3,208
Payroll liabilities payable	-	-	-
Claims payable	-	-	-
Due to other funds	-	16,363	-
Due to other governments	-	-	-
Deferred revenue	-	-	1,959
	-	-	1,959
Total liabilities	-	16,363	5,167
FUND BALANCES			
Unreserved	-	(8,721)	-
Total liabilities and fund balances	\$ -	\$ 7,642	\$ 5,167

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2008**

	Standards Aligned Classroom	Preschool Monitoring	English Language Learners Professional Development
ASSETS			
Cash	\$ -	\$ -	\$ 1,887
Accounts receivable	-	-	-
Due from other governments	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,887</u></u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Payroll liabilities payable	-	-	809
Claims payable	-	-	-
Due to other funds	-	-	-
Due to other governments	-	1,255	-
Deferred revenue	-	-	1,078
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	-	1,255	1,887
FUND BALANCES			
Unreserved	<u> </u>	<u>(1,255)</u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,887</u></u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2008**

	<u>Beginning Teacher Induction and Mentoring</u>	<u>Illinois New Principal Mentoring</u>	<u>Totals</u>
ASSETS			
Cash	\$ 81,184	\$ -	\$ 156,288
Accounts receivable	-	924	2,598
Due from other governments	-	-	22,508
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 81,184</u>	<u>\$ 924</u>	<u>\$ 181,394</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 304	\$ -	\$ 3,745
Payroll liabilities payable	-	-	30,464
Claims payable	-	-	1,880
Due to other funds	-	924	29,688
Due to other governments	-	-	1,482
Deferred revenue	80,862	-	83,899
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	81,166	924	151,158
 FUND BALANCES			
Unreserved	<u>18</u>	<u>-</u>	<u>30,236</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 81,184</u>	<u>\$ 924</u>	<u>\$ 181,394</u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2008**

	Truants Alternative/ Optional Education	Mini Grants	Regional Safe Schools
Revenues:			
Local sources	\$ -	\$ -	\$ 1,567
State sources	122,182	-	304,460
Federal sources	-	544	-
Interest	25	-	76
	<u>122,207</u>	<u>544</u>	<u>306,103</u>
Expenditures:			
Salaries and benefits	109,520	-	218,901
Purchased services	8,549	544	52,318
Supplies and materials	4,137	-	19,511
Capital outlay	-	-	-
Payments to other governments	286	-	-
Other objects	-	-	-
	<u>122,492</u>	<u>544</u>	<u>290,730</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(285)</u>	<u>-</u>	<u>15,373</u>
Other financing sources:			
Transfers in	286	-	-
Proceeds from sale of asset	-	-	500
	<u>286</u>	<u>-</u>	<u>500</u>
Net change in fund balances	1	-	15,873
Fund balances (deficits), beginning of year	<u>47</u>	<u>-</u>	<u>25,903</u>
Fund balances (deficits), end of year	<u>\$ 48</u>	<u>\$ -</u>	<u>\$ 41,776</u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)**

EDUCATION FUND ACCOUNTS

For the year ended June 30, 2008

	<u>Title II - Coop</u>	<u>Adult Education - Performance</u>	<u>Adult Education - State Basic</u>
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	-	38,837	34,311
Federal sources	-	-	-
Interest	-	34	16
	<hr/>	<hr/>	<hr/>
Total revenues	-	38,871	34,327
Expenditures:			
Salaries and benefits	-	33,934	30,756
Purchased services	885	-	2,869
Supplies and materials	49	4,160	16
Capital outlay	-	-	-
Payments to other governments	-	-	227
Other objects	-	776	686
	<hr/>	<hr/>	<hr/>
Total expenditures	934	38,870	34,554
Excess (deficiency) of revenues over (under) expenditures	<hr/> (934)	<hr/> 1	<hr/> (227)
Other financing sources:			
Transfers in	7,637	-	227
Proceeds from sale of asset	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	7,637	-	227
Net change in fund balances	6,703	1	-
Fund balances (deficits), beginning of year	<hr/> (6,703)	<hr/> (1)	<hr/> 2
Fund balances (deficits), end of year	<hr/> <hr/> \$ -	<hr/> <hr/> \$ -	<hr/> <hr/> \$ 2

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)**

EDUCATION FUND ACCOUNTS

For the year ended June 30, 2008

	Adult Education - Public Assistance	National School Lunch	Adult Education - Federal Basic
Revenues:			
Local sources	\$ -	\$ 1,017	\$ -
State sources	56,396	140	-
Federal sources	-	3,150	36,052
Interest	32	-	60
Total revenues	56,428	4,307	36,112
Expenditures:			
Salaries and benefits	49,105	-	31,877
Purchased services	6,077	4,545	1,560
Supplies and materials	117	-	1,954
Capital outlay	5,877	-	-
Payments to other governments	-	-	-
Other objects	1,128	-	721
Total expenditures	62,304	4,545	36,112
Excess (deficiency) of revenues over (under) expenditures	(5,876)	(238)	-
Other financing sources:			
Transfers in	-	-	-
Proceeds from sale of asset	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	(5,876)	(238)	-
Fund balances (deficits), beginning of year	3,712	2,423	(1,653)
Fund balances (deficits), end of year	<u>\$ (2,164)</u>	<u>\$ 2,185</u>	<u>\$ (1,653)</u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2008**

	<u>Even Start</u>	<u>Regional System of Support Provider</u>	<u>Mathematics and Science Partnerships</u>
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	-	4,466	-
Federal sources	15,277	19,774	175,029
Interest	-	-	26
	<u>15,277</u>	<u>24,240</u>	<u>175,055</u>
Expenditures:			
Salaries and benefits	12,197	22,139	30,276
Purchased services	3,467	2,749	119,175
Supplies and materials	209	-	26,436
Capital outlay	-	-	-
Payments to other governments	-	-	-
Other objects	-	-	-
	<u>15,873</u>	<u>24,888</u>	<u>175,887</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(596)</u>	<u>(648)</u>	<u>(832)</u>
Other financing sources:			
Transfers in	458	-	586
Proceeds from sale of asset	-	-	-
	<u>458</u>	<u>-</u>	<u>586</u>
Net change in fund balances	(138)	(648)	(246)
Fund balances (deficits), beginning of year	<u>138</u>	<u>(8,073)</u>	<u>246</u>
Fund balances (deficits), end of year	<u>\$ -</u>	<u>\$ (8,721)</u>	<u>\$ -</u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2008**

	Standards Aligned Classroom	Preschool Monitoring	English Language Learners Professional Development
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	-	18,620	-
Federal sources	1,538	-	3,921
Interest	-	-	-
	<u>1,538</u>	<u>18,620</u>	<u>3,921</u>
Total revenues	<u>1,538</u>	<u>18,620</u>	<u>3,921</u>
Expenditures:			
Salaries and benefits	-	-	2,518
Purchased services	429	20,995	909
Supplies and materials	1,139	-	494
Capital outlay	-	-	-
Payments to other governments	-	-	-
Other objects	-	-	-
	<u>1,568</u>	<u>20,995</u>	<u>3,921</u>
Total expenditures	<u>1,568</u>	<u>20,995</u>	<u>3,921</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30)</u>	<u>(2,375)</u>	<u>-</u>
Other financing sources:			
Transfers in	-	1,120	-
Proceeds from sale of asset	-	-	-
	<u>-</u>	<u>1,120</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>1,120</u>	<u>-</u>
Net change in fund balances	<u>(30)</u>	<u>(1,255)</u>	<u>-</u>
Fund balances (deficits), beginning of year	<u>30</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ -</u>	<u>\$ (1,255)</u>	<u>\$ -</u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)**

EDUCATION FUND ACCOUNTS

For the year ended June 30, 2008

	Beginning Teacher Induction and Mentoring	Illinois New Principal Mentoring	Totals
Revenues:			
Local sources	\$ -	\$ -	\$ 2,584
State sources	13,480	4,424	597,316
Federal sources	-	-	255,285
Interest	18	-	287
Total revenues	13,498	4,424	855,472
Expenditures:			
Salaries and benefits	9,819	3,551	554,593
Purchased services	2,438	694	228,203
Supplies and materials	1,223	179	59,624
Capital outlay	-	-	5,877
Payments to other governments	-	-	513
Other objects	-	-	3,311
Total expenditures	13,480	4,424	852,121
Excess (deficiency) of revenues over (under) expenditures	18	-	3,351
Other financing sources:			
Transfers in	-	-	10,314
Proceeds from sale of asset	-	-	500
Total other financing sources	-	-	10,814
Net change in fund balances	18	-	14,165
Fund balances (deficits), beginning of year	-	-	16,071
Fund balances (deficits), end of year	\$ 18	\$ -	\$ 30,236

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION - PROJECT #08-3695-00
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources	\$ 122,182	\$ 122,182	\$ 122,182	\$ -
Interest	-	-	25	25
	<u>122,182</u>	<u>122,182</u>	<u>122,207</u>	<u>25</u>
Total revenue				
Expenditures:				
Salaries and benefits	111,518	111,518	109,520	1,998
Purchased services	7,550	7,550	8,549	(999)
Supplies and materials	3,114	3,114	4,137	(1,023)
Payments to other governments	-	-	286	(286)
	<u>122,182</u>	<u>122,182</u>	<u>122,492</u>	<u>(310)</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(285)	<u>\$ (285)</u>
Other financing sources:				
Transfers in			<u>286</u>	
Net change in fund balance			1	
Fund balance, beginning of year			<u>47</u>	
Fund balance, end of year			<u>\$ 48</u>	

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE II - TEACHER QUALITY - PROJECT #08-4932-00
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
Revenues:				
Federal sources	<u>\$ 435</u>	<u>\$ 435</u>	<u>435</u>	<u>\$ -</u>
Expenditures:				
Purchased services	<u>435</u>	<u>435</u>	<u>435</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

NOTE: Included within Mini Grants Fund in the Education Fund.

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE IV - SAFE AND DRUG FREE SCHOOLS - PROJECT #08-4400-00
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources	\$ 68	\$ 68	\$ 68	\$ -
Expenditures:				
Purchased services	68	68	68	-
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

NOTE: Included within the Mini Grants Fund in the Education Fund.

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE V - INNOVATIVE PROGRAMS - PROJECT #08-4100-00
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
Revenues:				
Federal sources	\$ 41	\$ 41	\$ 41	\$ -
Expenditures:				
Purchased services	41	41	41	-
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

NOTE: Included within the Mini Grants Fund in the Education Fund.

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS - PROJECT #08-3696-00
For the year ended June 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Local sources	\$ -	\$ -	\$ 1,567	\$ 1,567
State sources	152,509	152,509	304,460	151,951
Interest	-	-	76	76
Total revenues	<u>152,509</u>	<u>152,509</u>	<u>306,103</u>	<u>153,594</u>
Expenditures:				
Salaries and benefits	117,661	117,661	218,901	(101,240)
Purchased services	24,788	24,788	52,318	(27,530)
Supplies and materials	10,060	10,060	19,511	(9,451)
Total expenditures	<u>152,509</u>	<u>152,509</u>	<u>290,730</u>	<u>(138,221)</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	15,373	<u>\$ 15,373</u>
Other financing sources:				
Proceeds from sale of asset			<u>500</u>	
Net change in fund balance			15,873	
Fund balance, beginning of year			<u>25,903</u>	
Fund balance, end of year			<u>\$ 41,776</u>	

Note: Actual column also includes Regional Safe Schools State Aid revenue (project #08-3001-93) of \$151,951.

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - PERFORMANCE - PROJECT #536 AB
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources	\$ 34,837	\$ 39,063	\$ 38,837	\$ (226)
Interest	-	-	34	34
Total revenues	<u>34,837</u>	<u>39,063</u>	<u>38,871</u>	<u>(192)</u>
Expenditures:				
Salaries and benefits	34,140	38,154	33,934	4,220
Purchased services	-	128	-	128
Supplies and materials	-	-	4,160	(4,160)
Other objects	<u>697</u>	<u>781</u>	<u>776</u>	<u>5</u>
Total expenditures	<u>34,837</u>	<u>39,063</u>	<u>38,870</u>	<u>193</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	1	<u>\$ 1</u>
Fund balance (deficit), beginning of year			<u>(1)</u>	
Fund balance, end of year			<u>\$ -</u>	

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - STATE BASIC - PROJECT #536 AB
For the year ended June 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 34,311	\$ 34,311	\$ 34,311	\$ -
Interest	-	-	16	16
Total revenues	<u>34,311</u>	<u>34,311</u>	<u>34,327</u>	<u>16</u>
Expenditures:				
Salaries and benefits	30,756	30,756	30,756	-
Purchased services	2,869	2,869	2,869	-
Supplies and materials	-	-	16	(16)
Other objects	686	686	686	-
Payments to other governments	-	-	227	(227)
Total expenditures	<u>34,311</u>	<u>34,311</u>	<u>34,554</u>	<u>(243)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(227)	<u>\$ (227)</u>
Other financing sources:				
Transfers in			<u>227</u>	
Net change in fund balance			-	
Fund balance, beginning of year			<u>2</u>	
Fund balance, end of year			<u>\$ 2</u>	

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - PUBLIC ASSISTANCE - PROJECT #536 AB
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources	\$ 45,555	\$ 45,555	\$ 56,396	\$ 10,841
Interest	-	-	32	32
	<u>45,555</u>	<u>45,555</u>	<u>56,428</u>	<u>10,873</u>
Expenditures:				
Salaries and benefits	38,450	38,450	49,105	(10,655)
Purchased services	6,077	6,077	6,077	-
Supplies and materials	117	117	117	-
Capital outlay	-	-	5,877	(5,877)
Other objects	911	911	1,128	(217)
	<u>45,555</u>	<u>45,555</u>	<u>62,304</u>	<u>(16,749)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(5,876)	<u>\$ (5,876)</u>
Fund balance, beginning of year			<u>3,712</u>	
Fund balance (deficit), end of year			<u>\$ (2,164)</u>	

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - FEDERAL BASIC - PROJECT #536 AB
For the year ended June 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Federal sources	\$ 36,052	\$ 36,052	\$ 36,052	\$ -
Interest	-	-	60	60
Total revenues	36,052	36,052	36,112	60
Expenditures:				
Salaries and benefits	31,877	31,877	31,877	-
Purchased services	1,900	1,900	1,560	340
Supplies and materials	1,554	1,554	1,954	(400)
Other objects	721	721	721	-
Total expenditures	36,052	36,052	36,112	(60)
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance (deficit), beginning of year			(1,653)	
Fund balance (deficit), end of year			<u>\$ (1,653)</u>	

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
EVEN START - PROJECT #07-4335-00
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
Revenues:				
Federal sources	\$ 75,000	\$ 84,411	\$ 15,277	\$ (69,134)
Interest	-	-	-	-
Total revenues	<u>75,000</u>	<u>84,411</u>	<u>15,277</u>	<u>(69,134)</u>
Expenditures:				
Salaries and benefits	50,307	48,308	12,197	36,111
Purchased services	18,943	29,736	3,467	26,269
Supplies and materials	5,750	6,367	209	6,158
Capital outlay	-	-	-	-
Total expenditures	<u>75,000</u>	<u>84,411</u>	<u>15,873</u>	<u>68,538</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(596)	<u>\$ (596)</u>
Other financing sources:				
Transfers in			<u>458</u>	
Net change in fund balance			(138)	
Fund balance, beginning of year			<u>138</u>	
Fund balance, end of year			<u>\$ -</u>	

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
MATHEMATICS AND SCIENCE PARTNERSHIPS - PROJECT #07-4936-00
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources	\$ 197,463	\$ 197,463	\$ 125,498	\$ (71,965)
Interest	-	-	18	18
Total revenues	<u>197,463</u>	<u>197,463</u>	<u>125,516</u>	<u>(71,947)</u>
Expenditures:				
Salaries and benefits	31,343	31,343	17,392	13,951
Purchased services	123,620	123,620	84,476	39,144
Supplies and materials	<u>42,500</u>	<u>42,500</u>	<u>24,480</u>	<u>18,020</u>
Total expenditures	<u>197,463</u>	<u>197,463</u>	<u>126,348</u>	<u>71,115</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(832)	<u>\$ (832)</u>
Other financing sources:				
Transfers in			<u>586</u>	
Net change in fund balance			(246)	
Fund balance, beginning of year			<u>246</u>	
Fund balance, August 31, 2007			<u>\$ -</u>	

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
MATHEMATICS AND SCIENCE PARTNERSHIPS - PROJECT #08-4936-00
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources	\$ 58,303	\$ 58,303	\$ 49,531	\$ (8,772)
Interest	-	-	8	8
Total revenues	<u>58,303</u>	<u>58,303</u>	<u>49,539</u>	<u>(8,764)</u>
Expenditures:				
Salaries and benefits	12,354	12,354	12,884	(530)
Purchased services	44,349	44,349	34,699	9,650
Supplies and materials	1,600	1,600	1,956	(356)
Total expenditures	<u>58,303</u>	<u>58,303</u>	<u>49,539</u>	<u>8,764</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, September 1, 2007			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ENGLISH LANGUAGE LEARNERS PROFESSIONAL DEVELOPMENT - PROJECT #08-4999-PD
For the year ended June 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Federal sources	\$ 5,000	\$ 5,000	\$ 3,921	\$ (1,079)
Interest	-	-	-	-
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>3,921</u>	<u>(1,079)</u>
Expenditures:				
Salaries and benefits	2,517	2,517	2,518	(1)
Purchased services	658	658	909	(251)
Supplies and materials	<u>1,825</u>	<u>1,825</u>	<u>494</u>	<u>1,331</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>3,921</u>	<u>1,079</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
BEGINNING TEACHER INDUCTION AND MENTORING - PROJECT #08-3982-01
For the year ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources	\$ 94,342	\$ 166,959	\$ 13,480	\$(153,479)
Interest	-	-	18	18
Total revenues	<u>94,342</u>	<u>166,959</u>	<u>13,498</u>	<u>(153,461)</u>
Expenditures:				
Salaries and benefits	37,294	41,637	9,819	31,818
Purchased services	56,248	107,882	2,438	105,444
Supplies and materials	800	17,440	1,223	16,217
Total expenditures	<u>94,342</u>	<u>166,959</u>	<u>13,480</u>	<u>153,479</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	18	<u>\$ 18</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ 18</u>	

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2008

	General Education Development	Seventh Judicial Family Violence	Bus Driver
ASSETS			
Cash	\$ 2,277	\$ 199	\$ 6,494
Accounts receivable	1,028	-	-
Investments	-	-	-
Due from other funds	-	-	-
Due from other governments	2,003	555	-
	<u>5,308</u>	<u>754</u>	<u>6,494</u>
Total assets	<u>\$ 5,308</u>	<u>\$ 754</u>	<u>\$ 6,494</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,225	\$ -	\$ -
Payroll liabilities payable	-	-	-
Claims payable	-	-	-
Due to other funds	-	-	-
	<u>1,225</u>	<u>-</u>	<u>-</u>
Total liabilities	1,225	-	-
FUND BALANCES			
Unreserved	<u>4,083</u>	<u>754</u>	<u>6,494</u>
Total liabilities and fund balances	<u>\$ 5,308</u>	<u>\$ 754</u>	<u>\$ 6,494</u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2008**

	Institute	Olympiad Fund	Trustee
ASSETS			
Cash	\$ 26,172	\$ 8,266	\$ 159
Accounts receivable	-	-	-
Investments	205	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
	<u>\$ 26,377</u>	<u>\$ 8,266</u>	<u>\$ 159</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Payroll liabilities payable	-	-	-
Claims payable	-	-	-
Due to other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	-	-	-
FUND BALANCES			
Unreserved	<u>26,377</u>	<u>8,266</u>	<u>159</u>
	<u>\$ 26,377</u>	<u>\$ 8,266</u>	<u>\$ 159</u>
Total liabilities and fund balances	<u>\$ 26,377</u>	<u>\$ 8,266</u>	<u>\$ 159</u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2008

	Supervisory	Student Social Services	Truancy
ASSETS			
Cash	\$ -	\$ -	\$ 352
Accounts receivable	-	-	-
Investments	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
	-	-	-
Total assets	\$ -	\$ -	\$ 352
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Payroll liabilities payable	-	2,614	-
Claims payable	-	-	-
Due to other funds	-	1,782	-
	-	4,396	-
Total liabilities	-	4,396	-
FUND BALANCES			
Unreserved	-	(4,396)	352
Total liabilities and fund balances	\$ -	\$ -	\$ 352

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2008**

	Alternative Schools	Totals
ASSETS		
Cash	\$ 15,128	\$ 59,047
Accounts receivable	-	1,028
Investments	-	205
Due from other funds	12,401	12,401
Due from other governments	-	2,558
	<u> </u>	<u> </u>
Total assets	<u>\$ 27,529</u>	<u>\$ 75,239</u>
 LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 53	\$ 1,278
Payroll liabilities payable	3,807	6,421
Claims payable	1,880	1,880
Due to other funds	-	1,782
	<u> </u>	<u> </u>
Total liabilities	5,740	11,361
 FUND BALANCES		
Unreserved	<u>21,789</u>	<u>63,878</u>
Total liabilities and fund balances	<u>\$ 27,529</u>	<u>\$ 75,239</u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the year ended June 30, 2008**

	General Education Development	Seventh Judicial Family Violence	Bus Driver
Revenues:			
Local sources	\$ 18,285	\$ -	\$ 1,104
State sources	2,003	16,825	720
Interest	-	-	-
	20,288	16,825	1,824
Total revenues			
Expenditures:			
Salaries and benefits	11,328	15,447	-
Purchased services	5,553	3,687	2,457
Supplies and materials	1,568	847	157
Capital outlay	-	-	-
Other objects	-	-	-
	18,449	19,981	2,614
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	1,839	(3,156)	(790)
Other financing uses:			
Transfers out	-	-	-
	-	-	-
Net change in fund balances	1,839	(3,156)	(790)
Fund balances, beginning of year	2,244	3,910	7,284
Fund balances (deficits), end of year	\$ 4,083	\$ 754	\$ 6,494

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
For the year ended June 30, 2008**

	Institute	Olympiad Fund	Trustee
Revenues:			
Local sources	\$ 14,324	\$ 12,500	\$ -
State sources	-	-	-
Interest	1	-	-
	<u>14,325</u>	<u>12,500</u>	<u>-</u>
Total revenues			
Expenditures:			
Salaries and benefits	-	-	-
Purchased services	4,458	8,454	85
Supplies and materials	39	2,612	-
Capital outlay	-	-	-
Other objects	4,901	-	-
	<u>9,398</u>	<u>11,066</u>	<u>85</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	4,927	1,434	(85)
Other financing uses:			
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,927	1,434	(85)
Fund balances, beginning of year	<u>21,450</u>	<u>6,832</u>	<u>244</u>
Fund balances (deficits), end of year	<u><u>\$ 26,377</u></u>	<u><u>\$ 8,266</u></u>	<u><u>\$ 159</u></u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
For the year ended June 30, 2008**

	Supervisory	Student Social Services	Truancy
Revenues:			
Local sources	\$ -	\$ 11,300	\$ 6,000
State sources	4,000	-	-
Interest	-	-	-
	4,000	11,300	6,000
Total revenues	4,000	11,300	6,000
Expenditures:			
Salaries and benefits	-	12,657	5,256
Purchased services	4,000	2,829	392
Supplies and materials	-	210	-
Capital outlay	-	-	-
Other objects	-	-	-
	4,000	15,696	5,648
Total expenditures	4,000	15,696	5,648
Excess (deficiency) of revenues over (under) expenditures	-	(4,396)	352
Other financing uses:			
Transfers out	-	-	-
	-	-	-
Net change in fund balances	-	(4,396)	352
Fund balances, beginning of year	-	-	-
Fund balances (deficits), end of year	\$ -	\$ (4,396)	\$ 352

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
For the year ended June 30, 2008**

	Alternative Schools	Totals
Revenues:		
Local sources	\$ 350	\$ 63,863
State sources	98,109	121,657
Interest	235	236
	98,694	185,756
Total revenues		
Expenditures:		
Salaries and benefits	64,001	108,689
Purchased services	30,362	62,277
Supplies and materials	11,863	17,296
Capital outlay	123	123
Other objects	-	4,901
	106,349	193,286
Total expenditures		
Excess (deficiency) of revenues over (under) expenditures	(7,655)	(7,530)
Other financing uses:		
Transfers out	(227)	(227)
	(7,882)	(7,757)
Net change in fund balances		
Fund balances, beginning of year	29,671	71,635
	\$ 21,789	\$ 63,878
Fund balances (deficits), end of year		

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS**

June 30, 2008

	Early Childhood Math	Administrators' Academy	Math & Science Workshop
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ -	\$ 85	\$ -
LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS			
Unrestricted	<u><u>\$ -</u></u>	<u><u>\$ 85</u></u>	<u><u>\$ -</u></u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING STATEMENT OF NET ASSETS (Continued)
NONMAJOR PROPRIETARY FUNDS
June 30, 2008**

	Staff Development Association	Totals
ASSETS		
Cash	\$ -	\$ 85
LIABILITIES	-	-
NET ASSETS		
Unrestricted	\$ -	\$ 85

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
For the year ended June 30, 2008**

	Early Childhood Math	Administrators' Academy	Math & Science Workshop
Operating revenues:			
Charges for services	\$ -	\$ 1,380	\$ -
Operating expenses:			
Salaries and benefits	-	3,619	-
Purchased services	-	197	-
Supplies and materials	-	96	-
Total operating expenses	-	3,912	-
Operating loss	-	(2,532)	-
Transfers in	2,043	-	-
Transfers out	-	-	(771)
Net transfers	2,043	-	(771)
Change in net assets	2,043	(2,532)	(771)
Net assets - beginning	(2,043)	2,617	771
Net assets - ending	\$ -	\$ 85	\$ -

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS (Continued)
NONMAJOR PROPRIETARY FUNDS
For the year ended June 30, 2008**

	Staff Development Association	Totals
Operating revenues:		
Charges for services	\$ -	\$ 1,380
Operating expenses:		
Salaries and benefits	-	3,619
Purchased services	-	197
Supplies and materials	-	96
Total operating expenses	-	3,912
Operating loss	-	(2,532)
Transfers in	2,832	4,875
Transfers out	-	(771)
Net transfers	2,832	4,104
Change in net assets	2,832	1,572
Net assets - beginning	(2,832)	(1,487)
Net assets - ending	\$ -	\$ 85

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the year ended June 30, 2008**

	Early Childhood Math	Administrators' Academy	Math & Science Workshop
Cash flows from operating activities:			
Collection of fees	\$ -	\$ 1,380	\$ -
Payment to suppliers and providers of goods and services	-	(293)	-
Payments to employees	-	(3,704)	-
Net cash used for operating activities	-	(2,617)	-
Cash flows from noncapital financing activities:			
Repayment of loans from other funds	(2,043)	-	-
Transfers in	2,043	-	-
Transfers out	-	-	(771)
Net cash used for noncapital financing activities	-	-	(771)
Net decrease in cash	-	(2,617)	(771)
Cash - beginning	-	2,702	771
Cash - ending	\$ -	\$ 85	\$ -
Reconciliation of operating loss to net cash used for operating activities:			
Operating loss	\$ -	\$ (2,532)	\$ -
Adjustments to reconcile operating loss to net cash used for operating activities:			
Decrease in payroll liabilities	-	(85)	-
Net cash used for operating activities	\$ -	\$ (2,617)	\$ -

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS (Continued)
For the year ended June 30, 2008**

	<u>Staff Development Association</u>	<u>Totals</u>
Cash flows from operating activities:		
Collection of fees	\$ -	\$ 1,380
Payment to suppliers and providers of goods and services	-	(293)
Payments to employees	-	(3,704)
	-	(3,704)
Net cash used for operating activities	-	(2,617)
	-	(2,617)
Cash flows from noncapital financing activities:		
Repayment of loans from other funds	(2,832)	(4,875)
Transfers in	2,832	4,875
Transfers out	-	(771)
	-	(771)
Net cash used for noncapital financing activities	-	(771)
	-	(771)
Net decrease in cash	-	(3,388)
Cash - beginning	-	3,473
	-	3,473
Cash - ending	\$ -	\$ 85
	-	85
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	\$ -	\$ (2,532)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Decrease in payroll liabilities	-	(85)
	-	(85)
Net cash used for operating activities	\$ -	\$ (2,617)
	-	(2,617)

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2008**

	Distributive Fund	Central Illinois Rural Region Career & Technical Education System	Totals
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ -	\$ 4,638	\$ 4,638
	<u> </u>	<u> </u>	<u> </u>
LIABILITIES			
Due to other governments	\$ -	\$ 4,638	\$ 4,638
	<u> </u>	<u> </u>	<u> </u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the year ended June 30, 2008**

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
<u>DISTRIBUTIVE</u>				
ASSETS				
Cash	\$ 406	\$ 1,401,084	\$ 1,401,490	\$ -
LIABILITIES				
Due to other funds	\$ -	\$ 884,001	\$ 884,001	\$ -
Due to other governments	406	517,083	517,489	-
Total liabilities	<u>\$ 406</u>	<u>\$ 1,401,084</u>	<u>\$ 1,401,490</u>	<u>\$ -</u>

CENTRAL ILLINOIS RURAL REGION CAREER & TECHNICAL EDUCATION SYSTEM

ASSETS				
Cash	<u>\$ 5,145</u>	<u>\$ 517,195</u>	<u>\$ 517,702</u>	<u>\$ 4,638</u>
LIABILITIES				
Due to other governments	<u>\$ 5,145</u>	<u>\$ 517,195</u>	<u>\$ 517,702</u>	<u>\$ 4,638</u>

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
For the year ended June 30, 2008**

	Balance <u>July 1, 2007</u>	Additions	Deductions	Balance <u>June 30, 2008</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$ 5,551	\$ 1,918,279	\$ 1,919,192	\$ 4,638
LIABILITIES				
Due to other funds	\$ -	\$ 884,001	\$ 884,001	\$ -
Due to other governments	5,551	1,034,278	1,035,191	4,638
Total liabilities	\$ 5,551	\$ 1,918,279	\$ 1,919,192	\$ 4,638

**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS
AND OTHERS
DISTRIBUTIVE FUND
For the year ended June 30, 2008**

	Central Illinois Rural Region Career & Technical Education System	ROE #40	Total
General State Aid	\$ -	\$ 250,060	\$ 250,060
Career & Technical Ed Improvement	373,567	-	373,567
Voc. Ed. - Agriculture Education	25,838	-	25,838
State Free Lunch and Breakfast	-	134	134
ROE School Bus Driver Training	-	720	720
Truants Alternative/Opt. Education	-	122,182	122,182
Regional Safe Schools	-	152,509	152,509
ROE/ISC Operations	-	80,507	80,507
Supervisory	-	4,000	4,000
Teacher Mentoring & Mentoring Pilot	-	94,342	94,342
Title V - Innovative Programs - Formula	-	41	41
Federal Breakfast & Lunch	-	3,150	3,150
Title IV - Safe & Drug Free Schools - Formula	-	68	68
Voc. Ed. - Perkins - Title IIC - Secondary	117,678	-	117,678
Title II - Teacher Quality	-	435	435
Math/Science Partnership	-	170,853	170,853
English Language Learners Professional Development	-	5,000	5,000
TOTAL	\$ 517,083	\$ 884,001	\$ 1,401,084