

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

**FINANCIAL AUDIT
For the year ended June 30, 2009**

**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
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	2	1
Repeated audit findings	1	1
Prior recommendations implemented or not repeated	0	3

Details of audit findings are presented in a separate 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

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
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FINDINGS (GOVERNMENT AUDITING STANDARDS)

09-01	11-12	Controls Over Financial Statement Preparation	Material Weakness
09-02	13-14	Inadequate Internal Control Procedures	Material Weakness

FINDINGS (FEDERAL COMPLIANCE)

No findings were noted for the year ended June 30, 2009.

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

FINANCIAL REPORT SUMMARY (Continued)

SUMMARY OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
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PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

There were no prior findings not repeated for the year ended June 30, 2009.

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

There were no prior findings.

EXIT CONFERENCE

An informal exit conference was held on September 1, 2009. 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, Travis Brading and Michelle Nuzum, all with West & Company, LLC.

The responses to the recommendations were provided by Larry Pfeiffer via email dated March 11, 2010.

**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
JOHN H. VOGT

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

613 BROADWAY AVENUE
P.O. BOX 945
MATTOON, ILLINOIS 61938

(217) 235-4747
www.westcpa.com

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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, 2009, 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 5, 2010 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 20A-20G and 56 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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

May 5, 2010

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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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, 2009, 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 May 5, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 was not designed to identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in findings 09-01 and 09-02 in the accompanying Schedule of Findings to be material weaknesses.

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 May 5, 2010.

Calhoun, Greene, Jersey and Macoupin Counties Regional Office of Education #40's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit Calhoun, Greene, Jersey and Macoupin Counties Regional Office of Education #40's responses and, accordingly, we express no opinion on them.

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

West + Company, LLC

May 5, 2010

SCHEDULE OF FINDINGS

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

**SCHEDULE OF FINDINGS
For the year ended June 30, 2009**

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
For the year ended June 30, 2009**

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
For the year ended June 30, 2009**

Section II - Financial Statement Findings

FINDING NO. 09-01 – Controls Over Financial Statement Preparation (repeat of 07-04 and 08-01)

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 due from other governments or deferred revenues. Detailed testing of monies due from other governments and deferred revenue noted the following: 1) three items, totaling \$79,984, had been incorrectly recorded to due from other governments; 2) one item, totaling \$11,498, had not been recorded to due from other governments, and 3) two items, totaling \$21,654, had not been recorded to deferred revenue.

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
For the year ended June 30, 2009**

Section II - Financial Statement Findings (Continued)

FINDING NO. 09-01 – Controls Over Financial Statement Preparation (repeat of 07-04 and 08-01)
(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 review 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:

ROE #40 plans to contract the services of a local accounting firm to review the FY 2010 financial statements prior to the FY 2010 audit. Additionally, with the departure of one ROE #40 employee from the bookkeeping division, the bookkeeping and accounting responsibilities were consolidated and transferred to the Jerseyville Office of the Regional Office of Education #40. We believe that the aforementioned actions will help address this finding in FY 2010.

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

**SCHEDULE OF FINDINGS
For the year ended June 30, 2009**

Section II - Financial Statement Findings (Continued)

FINDING NO. 09-02 – Inadequate Internal Control Procedures

Criteria/Specific Requirement:

The Regional Superintendent of Schools is responsible for establishing and maintaining an internal control system over disbursements to prevent errors and fraud.

Condition:

During the audit, we noted the following weaknesses in the Regional Office of Education's internal controls:

1. During our testing of 45 cash disbursements, we noted the following exceptions:
 - a. One instance where the Regional Office did not have a Payment Authorization Form for the payment of an expenditure.
 - b. One instance where an unsigned check was mailed and cleared the bank.
2. During our testing of 25 credit card transactions, we noted the following exceptions:
 - a. One instance of expenditure misclassification, where supplies totaling \$169 were charged to a purchased services account.
 - b. One instance where the amount paid exceeded the credit card charges by \$30.
 - c. One instance where a \$15 personal expense for an employee was accidentally paid with the Regional Office's credit card. The amount was reimbursed by the employee.
 - d. One instance where no invoice was provided for hotel charges of \$1,052 during a RESPRO trip. Per Regional Office personnel, RESPRO would not reimburse the Regional Office for the expenditure, only actual people. Therefore, the Regional Office paid the hotel charges. The employee received a reimbursement for the expenditure through RESPRO and reimbursed the Regional Office.
 - e. One instance where there was no classification on the Payment Authorization Form. Although the expenditure was later reimbursed, it was coded to an incorrect function.
 - f. In one instance, a \$586 payment was made to the wrong credit card company. The Regional Office has credit cards with two credit card companies. Due to the misdirected payment, the credit cards from the second company had credit balances for a few months. Since no payment was due during this period of time, employees did not give the bookkeeper the credit card bills, which contained new purchases. Consequently, the Regional Superintendent did not approve these new purchases. Furthermore, the incorrect payment was never reversed on the general ledger. Instead, additional charges to the credit card were not recorded. Finally, when the correct credit card company was paid, the payment was made from different accounts than the first payment, even though both payments were made from the same invoice.

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

**SCHEDULE OF FINDINGS
For the year ended June 30, 2009**

Section II - Financial Statement Findings (Continued)

FINDING NO. 09-02 – Inadequate Internal Control Procedures (Continued)

Condition: (Continued)

3. During our testing of 18 payroll records, we noted the following exceptions:
 - a. One instance where an employee was underpaid \$61 per pay over twenty pay periods. This was discovered by the Regional Office and corrected prior to the audit.
 - b. Three instances where the employees' Hire/Pay Notices were either not present or not signed by the Regional Superintendent.

4. The Regional Office did not properly secure the Regional Superintendent's signature stamp or the blank checks. Both were in unlocked drawers in the bookkeeper's office.

Effect:

Lack of proper review of the various accounting processes and documentation to support each disbursement could result in unintentional or intentional errors or misappropriations of assets, in which the errors or fraud could be material to the financial statements and may not be detected in a timely manner by employees in the normal course of performing their assigned duties.

Cause:

The Regional Office is not following its established internal control procedures and should develop additional procedures to further strengthen internal controls.

Auditors' Recommendation:

The Regional Office should ensure that its established internal control procedures are being followed and should develop additional internal control procedures to help ensure that all disbursements are processed in compliance with established policies.

Management's Response:

The functions of bookkeeping and accounting responsibilities were consolidated and transferred to the Jerseyville Office of the Regional Office of Education #40 in November of 2009. After receiving the findings for the FY 2009 annual audit, the Regional Office of Education conducted an extensive review of internal control procedures. Bookkeeping and payroll policies were reviewed, modified and altered to ensure greater internal control over all bookkeeping and payroll practices. We believe that the aforementioned actions will help address this finding in FY 2010.

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

**SCHEDULE OF FINDINGS
For the year ended June 30, 2009**

Section III - Federal Award Findings

No findings were noted for the year ended June 30, 2009.

**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, 2009**

Corrective Action Plan

Finding No.: 09-01 – Controls Over Financial Statement Preparation (repeat of 07-04 and 08-01)

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 due from other governments or deferred revenues. Detailed testing of monies due from other governments and deferred revenue noted the following: 1) three items, totaling \$79,984, had been incorrectly recorded to due from other governments; 2) one item, totaling \$11,498, had not been recorded to due from other governments, and 3) two items, totaling \$21,654, had not been recorded to deferred revenue.

Plan:

ROE #40 plans to contract the services of a local accounting firm to review the FY 2010 financial statements prior to the FY 2010 audit. Additionally, with the departure of one ROE #40 employee from the bookkeeping division, the bookkeeping and accounting responsibilities were consolidated and transferred to the Jerseyville Office of the Regional Office of Education #40. We believe that the aforementioned actions will help address this finding in FY 2010.

Anticipated Date of Completion:

The consolidation of accounting and bookkeeping practices took place in November of 2009. Prior to the FY 2010 audit, an accounting firm will be hired to review the financial statements.

Name of Contact Person:

Larry Pfeiffer, Regional Superintendent

**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, 2009**

Corrective Action Plan (Continued)

Finding No.: 09-02 – Inadequate Internal Control Procedures

Condition:

During the audit, we noted the following weaknesses in the Regional Office of Education's internal controls:

1. During our testing of 45 cash disbursements, we noted the following exceptions:
 - a. One instance where the Regional Office did not have a Payment Authorization Form for the payment of an expenditure.
 - b. One instance where an unsigned check was mailed and cleared the bank.

2. During our testing of 25 credit card transactions, we noted the following exceptions:
 - a. One instance of expenditure misclassification, where supplies totaling \$169 were charged to a purchased services account.
 - b. One instance where the amount paid exceeded the credit card charges by \$30.
 - c. One instance where a \$15 personal expense for an employee was accidentally paid with the Regional Office's credit card. The amount was reimbursed by the employee.
 - d. One instance where no invoice was provided for hotel charges of \$1,052 during a RESPRO trip. Per Regional Office personnel, RESPRO would not reimburse the Regional Office for the expenditure, only actual people. Therefore, the Regional Office paid the hotel charges. The employee received a reimbursement for the expenditure through RESPRO and reimbursed the Regional Office.
 - e. One instance where there was no classification on the Payment Authorization Form. Although the expenditure was later reimbursed, it was coded to an incorrect function.
 - f. In one instance, a \$586 payment was made to the wrong credit card company. The Regional Office has credit cards with two credit card companies. Due to the misdirected payment, the credit cards from the second company had credit balances for a few months. Since no payment was due during this period of time, employees did not give the bookkeeper the credit card bills, which contained new purchases. Consequently, the Regional Superintendent did not approve these new purchases. Furthermore, the incorrect payment was never reversed on the general ledger. Instead, additional charges to the credit card were not recorded. Finally, when the correct credit card company was paid, the payment was made from different accounts than the first payment, even though both payments were made from the same invoice.

**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, 2009**

Section II - Financial Statement Findings (Continued)

FINDING NO. 09-02 – Inadequate Internal Control Procedures (Continued)

Condition: (Continued)

3. During our testing of 18 payroll records, we noted the following exceptions:
 - a. One instance where an employee was underpaid \$61 per pay over twenty pay periods. This was discovered by the Regional Office and corrected prior to the audit.
 - b. Three instances where the employees' Hire/Pay Notices were either not present or not signed by the Regional Superintendent.

4. The Regional Office did not properly secure the Regional Superintendent's signature stamp or the blank checks. Both were in unlocked drawers in the bookkeeper's office.

Plan:

The functions of bookkeeping and accounting responsibilities were consolidated and transferred to the Jerseyville Office of the Regional Office of Education #40 in November of 2009. After receiving the findings for the FY 2009 annual audit, the Regional Office of Education conducted an extensive review of internal control procedures. Bookkeeping and payroll polices were reviewed, modified and altered to ensure greater internal control over all bookkeeping and payroll practices. We believe that the aforementioned actions will help address this finding in FY 2010.

Anticipated Date of Completion:

In November of 2009 all bookkeeping and accounting practices were transferred and consolidated to the Jerseyville Office of the Regional Office of Education. In February and March of 2010, internal control procedures were reviewed and modified as needed to address concerns raised during the FY 2009 audit.

Name of Contact Person:

Larry Pfeiffer, Regional Superintendent

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2009**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
08-01	Controls Over Financial Statement Preparation	Repeated as finding 09-01.

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, 2009**

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, 2009. Readers are encouraged to consider the information in conjunction with the Regional Office of Education #40's financial statements which follow.

2009 FINANCIAL HIGHLIGHTS

- Within the Governmental Funds, the General Fund revenues decreased by \$42,680 from \$630,187 in FY08 to \$587,507 in FY09. General Fund expenditures decreased by \$71,992 from \$651,379 in FY08 to \$579,387 in FY09.
- Within the Governmental Funds, the Special Revenue Fund revenue increased by \$33,749 from \$1,041,228 in FY08 to \$1,074,977 in FY09. The Special Revenue Fund expenditures increased by \$59,565 from \$1,045,407 in FY08 to \$1,104,972 in FY09.

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 and Workshops 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 FY09 totaled approximately \$257,475. At the end of FY08, the net assets were approximately \$290,071. The analysis that follows provides a summary of the Office's net assets at June 30.

CONDENSED STATEMENT OF NET ASSETS

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current Assets	\$291,948	\$349,884	\$1,489	\$ (5,044)	\$293,437	\$344,840
Capital Assets, net	72,009	96,933	-	-	72,009	96,933
TOTAL ASSETS	<u>363,957</u>	<u>446,817</u>	<u>1,489</u>	<u>(5,044)</u>	<u>365,446</u>	<u>441,773</u>
Current Liabilities	101,895	140,747	-	2,978	101,895	143,725
Noncurrent Liabilities	6,076	7,977	-	-	6,076	7,977
TOTAL LIABILITIES	<u>107,971</u>	<u>148,724</u>	<u>-</u>	<u>2,978</u>	<u>107,971</u>	<u>151,702</u>
Net Assets:						
Invested in Capital Assets, net of related debt	64,034	87,209	-	-	64,034	87,209
Restricted for teacher professional development	16,989	26,377	-	-	16,989	26,377
Unrestricted	<u>174,963</u>	<u>184,507</u>	<u>1,489</u>	<u>(8,022)</u>	<u>176,452</u>	<u>176,485</u>
TOTAL NET ASSETS	<u>\$255,986</u>	<u>\$298,093</u>	<u>\$1,489</u>	<u>\$ (8,022)</u>	<u>\$257,475</u>	<u>\$290,071</u>

Net assets of the Regional Office of Education #40 decreased by \$32,596 from FY08.

Governmental activities decreased the net assets of the Regional Office of Education #40 by \$42,107.

Business-type activities increased the net assets of the Regional Office of Education #40 by \$9,511.

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

CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$77,459	\$ 84,189	\$77,459	\$ 84,189
Operating grants & contributions	1,090,393	1,061,265	-	-	1,090,393	1,061,265
Capital grants & contributions	-	-	-	-	-	-
General revenues:						
Local sources	301,902	239,494	-	-	301,902	239,494
On-behalf payments - Local	-	97,173	-	-	-	97,173
On-behalf payments - State	277,821	272,892	-	-	277,821	272,892
Interest	108	591	-	-	108	591
Gain on sale of asset	-	500	-	-	-	500
TOTAL REVENUES	<u>1,670,224</u>	<u>1,671,915</u>	<u>77,459</u>	<u>84,189</u>	<u>1,747,683</u>	<u>1,756,104</u>
Expenses:						
Program expenses:						
Instructional services:						
Salaries and benefits	882,421	808,622	-	-	882,421	808,622
Purchased services	434,906	379,494	-	-	434,906	379,494
Supplies and materials	74,154	99,235	-	-	74,154	99,235
Payments to other governments	-	513	-	-	-	513
Other objects	10,665	9,207	-	-	10,665	9,207
Interest expense	597	65	-	-	597	65
Depreciation	26,970	30,391	-	-	26,970	30,391
Impairment loss on capital asset	-	480	-	-	-	480
Administrative expenses:						
On-behalf payments - Local	-	97,173	-	-	-	97,173
On-behalf payments - State	277,821	272,892	-	-	277,821	272,892
Business-type expenses						
Instructional	-	-	72,745	97,400	72,745	97,400
TOTAL EXPENSES	<u>1,707,534</u>	<u>1,698,072</u>	<u>72,745</u>	<u>97,400</u>	<u>1,780,279</u>	<u>1,795,472</u>
Changes in Net Assets before Transfers	(37,310)	(26,157)	4,714	(13,211)	(32,596)	(39,368)
Transfers	(4,797)	7,637	4,797	(7,637)	-	-
Changes in Net Assets	(42,107)	(18,520)	9,511	(20,848)	(32,596)	(39,368)
Net Assets, beginning of year	298,093	316,613	(8,022)	12,826	290,071	329,439
Net Assets, end of year	<u>\$ 255,986</u>	<u>\$ 298,093</u>	<u>\$ 1,489</u>	<u>\$ (8,022)</u>	<u>\$ 257,475</u>	<u>\$ 290,071</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 \$184,212 for FY09, compared to \$210,884 for FY08.

Governmental Fund Highlights:

- For the fiscal year ended August 31, 2009, Macoupin County continued to support the ROE at 100% with a 12% decrease over FY08.
- Tri-Counties support for the fiscal year ended November 30, 2009:
 - Calhoun County continued to support the ROE at 100% with a 5.37% increase over FY08.
 - Jersey County continued to support the ROE at 100% with a 4.21% increase over FY08.
 - Greene County continued to support the ROE at 50% with a .69% decrease over FY08.
 - Greene County provides only two quarterly payments instead of the required four payments.

Revenues:

- Local sources increased \$55,898.
- State sources increased \$140,635.
- Federal sources decreased by \$112,737.
- On-behalf payments decreased from local sources \$97,173.
- On-behalf payments increased from State sources \$4,929.

Generally, total governmental fund revenues decreased by \$8,931 and total governmental fund expenditures decreased \$12,427 for FY09. The on-behalf payments from local sources decreased and the local sources revenue increased mainly due to the ROE receiving payments from Macoupin County. During prior years, Macoupin County paid expenditures for the ROE rather than paying the ROE itself.

The state aid foundation level used to calculate the state aid received in FY09 increased to \$5,734 per student from \$5,334 per student in the prior year.

Proprietary Fund Highlights:

The decrease of revenues in the proprietary fund in FY09 compared to FY08 was due to the decrease in the number of workshops presented in FY09. Due to having less workshops and using local presenters, expenses, such as consultant fees and supplies, also decreased.

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 FY09, net capital assets decreased by \$24,924. Total capital outlay for FY09 was \$2,046.

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. The remaining balance to be paid at June 30, 2009 was \$7,975.

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 \$6,119 per student.
- Most grants will decrease for FY10.
- Beginning Teacher Induction and Mentoring Grant will have a budget of \$190,074 in FY10. This is an increase of \$17,090 from FY09.
- Due to the problems of receiving revenues from the State and programs being cut, the ROE expects a significant financial hardship for FY10.
- The ROE received the Gifted Education Grant at the end of FY09 with a budget of \$70,225, with a final expenditure date of August 2010.

**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, 2009**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash	\$ 64,828	\$ -	\$ 64,828
Accounts receivable	10,513	480	10,993
Investments	71,927	-	71,927
Due from other governments	142,638	3,051	145,689
Internal balances	2,042	(2,042)	-
	291,948	1,489	293,437
Total current assets			
Noncurrent assets:			
Capital assets, net	72,009	-	72,009
	72,009	-	72,009
Total assets			
	363,957	1,489	365,446
LIABILITIES			
Current liabilities:			
Accounts payable	7,017	-	7,017
Payroll liabilities payable	39,251	-	39,251
Claims payable	1,264	-	1,264
Note payable, current	1,899	-	1,899
Deferred revenue	52,464	-	52,464
	101,895	-	101,895
Total current liabilities			
Noncurrent liabilities:			
Note payable, noncurrent	6,076	-	6,076
	6,076	-	6,076
Total liabilities			
	107,971	-	107,971
NET ASSETS			
Invested in capital assets, net of related debt	64,034	-	64,034
Restricted for teacher professional development	16,989	-	16,989
Unrestricted	174,963	1,489	176,452
	174,963	1,489	176,452
Total net assets			
	\$ 255,986	\$ 1,489	\$ 257,475

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 ACTIVITIES
For the year ended June 30, 2009**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS						
Governmental activities:						
Instructional services:						
Salaries and benefits	\$ 882,421	\$ -	\$ 685,470	\$ (196,951)	\$ -	\$ (196,951)
Purchased services	434,906	-	337,838	(97,068)	-	(97,068)
Supplies and materials	74,154	-	57,604	(16,550)	-	(16,550)
Capital outlay	-	-	1,196	1,196	-	1,196
Other objects	10,665	-	8,285	(2,380)	-	(2,380)
Interest expense	597	-	-	(597)	-	(597)
Depreciation	26,970	-	-	(26,970)	-	(26,970)
Administrative:						
On-behalf payments - State	277,821	-	-	(277,821)	-	(277,821)
Total governmental activities	<u>1,707,534</u>	<u>-</u>	<u>1,090,393</u>	<u>(617,141)</u>	<u>-</u>	<u>(617,141)</u>
Business-type activities:						
Instructional	72,745	77,459	-	-	4,714	4,714
Total primary government	<u>\$ 1,780,279</u>	<u>\$ 77,459</u>	<u>\$ 1,090,393</u>	<u>(617,141)</u>	<u>4,714</u>	<u>(612,427)</u>
General revenues:						
Local sources				301,902	-	301,902
On-behalf payments - State				277,821	-	277,821
Interest				108	-	108
Transfers				(4,797)	4,797	-
Total general revenues				<u>575,034</u>	<u>4,797</u>	<u>579,831</u>
Changes in net assets				(42,107)	9,511	(32,596)
Net assets - beginning				<u>298,093</u>	<u>(8,022)</u>	<u>290,071</u>
Net assets - ending				<u>\$ 255,986</u>	<u>\$ 1,489</u>	<u>\$ 257,475</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, 2009

	General Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash	\$ 14,450	\$ 25,677	\$ 24,701	\$ 64,828
Accounts receivable	9,765	-	748	10,513
Investments	15,022	56,830	75	71,927
Due from other funds	117,885	37,553	27,200	182,638
Due from other governments	23,660	103,579	15,399	142,638
	\$ 180,782	\$ 223,639	\$ 68,123	\$ 472,544
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 617	\$ 1,560	\$ 4,840	\$ 7,017
Payroll liabilities payable	-	35,571	3,680	39,251
Claims payable	-	632	632	1,264
Due to other funds	37,553	132,713	10,330	180,596
Deferred revenue	25,447	26,040	8,717	60,204
	63,617	196,516	28,199	288,332
FUND BALANCES				
Unreserved, reported in:				
General fund	117,165	-	-	117,165
Special revenue funds	-	27,123	39,924	67,047
	117,165	27,123	39,924	184,212
Total fund balances	117,165	27,123	39,924	184,212
Total liabilities and fund balances	\$ 180,782	\$ 223,639	\$ 68,123	\$ 472,544

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, 2009**

Total fund balances - governmental funds	\$ 184,212
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.	72,009
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	7,740
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(7,975)</u>
Net assets of governmental activities	<u><u>\$ 255,986</u></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, 2009

	General Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
Revenues:				
Local sources	\$ 223,097	\$ 3,616	\$ 68,679	\$ 295,392
State sources	86,588	746,388	113,639	946,615
Federal sources	-	141,548	1,000	142,548
On-behalf payments	277,821	-	-	277,821
Interest	1	49	58	108
Total revenues	587,507	891,601	183,376	1,662,484
Expenditures:				
Instructional services:				
Salaries and benefits	192,632	583,666	106,123	882,421
Purchased services	91,788	269,008	74,110	434,906
Supplies and materials	11,686	39,542	22,926	74,154
Other objects	1,068	2,694	6,903	10,665
On-behalf payments	277,821	-	-	277,821
Capital outlay	2,046	-	-	2,046
Debt service:				
Principal	1,749	-	-	1,749
Interest	597	-	-	597
Total expenditures	579,387	894,910	210,062	1,684,359
Excess (deficiency) of revenues over (under) expenditures	8,120	(3,309)	(26,686)	(21,875)
Other financing sources (uses):				
Transfers in	-	196	2,732	2,928
Transfers out	(7,725)	-	-	(7,725)
Total other financing sources (uses)	(7,725)	196	2,732	(4,797)
Net change in fund balances	395	(3,113)	(23,954)	(26,672)
Fund balances, beginning of year	116,770	30,236	63,878	210,884
Fund balances, end of year	\$ 117,165	\$ 27,123	\$ 39,924	\$ 184,212

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, 2009**

Net change in fund balances \$ (26,672)

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	2,046	
Depreciation expense	<u>(26,970)</u>	(24,924)

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. 1,749

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds. This is the effect of this difference in revenue recognition. 7,740

Change in net assets of governmental activities \$ (42,107)

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, 2009**

	Business-Type Activities Enterprise Funds		
	Workshops	Other Enterprise Fund-Administrators' Academy	Totals
ASSETS			
Accounts receivable	\$ 480	\$ -	\$ 480
Due from other governments	-	3,051	3,051
Total assets	480	3,051	3,531
LIABILITIES			
Due to other funds	-	2,042	2,042
NET ASSETS			
Unrestricted	\$ 480	\$ 1,009	\$ 1,489

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, 2009**

	Business-Type Activities Enterprise Funds		Totals
	Workshops	Other Enterprise Fund-Administrators' Academy	
Operating revenues:			
Charges for services	\$ 72,979	\$ 4,480	\$ 77,459
Operating expenses:			
Salaries and benefits	-	2,029	2,029
Purchased services	53,356	1,527	54,883
Supplies and materials	15,833	-	15,833
Total operating expenses	69,189	3,556	72,745
Operating income	3,790	924	4,714
Transfers in	4,797	-	4,797
Change in net assets	8,587	924	9,511
Net assets - beginning	(8,107)	85	(8,022)
Net assets - ending	\$ 480	\$ 1,009	\$ 1,489

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, 2009**

	Business-Type Activities		
	Enterprise Funds		
	Workshops	Other Enterprise Fund-Administrators' Academy	Totals
Cash flows from operating activities:			
Collection of fees	\$ 72,499	\$ 1,429	\$ 73,928
Payment to suppliers and providers of goods and services	(69,167)	(1,527)	(70,694)
Payment to employees	-	(2,029)	(2,029)
Net cash provided by (used for) operating activities	<u>3,332</u>	<u>(2,127)</u>	<u>1,205</u>
Cash flows from noncapital financing activities:			
(Repayment of) loans from other funds	(8,129)	2,042	(6,087)
Transfers in	4,797	-	4,797
Net cash provided by (used for) noncapital financing activities	<u>(3,332)</u>	<u>2,042</u>	<u>(1,290)</u>
Net decrease in cash	-	(85)	(85)
Cash - beginning	-	85	85
Cash - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income	\$ 3,790	\$ 924	\$ 4,714
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Increase in accounts receivable	(480)	-	(480)
Increase in due from other governments	-	(3,051)	(3,051)
Decrease in prepaid items	3,000	-	3,000
Decrease in accounts payable	(2,978)	-	(2,978)
Net cash provided by (used for) operating activities	<u>\$ 3,332</u>	<u>\$ (2,127)</u>	<u>\$ 1,205</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, 2009

	<u>Agency Funds</u>
ASSETS	
Cash	<u>\$ 55</u>
LIABILITIES	
Due to other governments	<u>\$ 55</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.

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.

**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 (Continued)

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.

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.

**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 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 – 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.

Macoupin County Monies – Monies received from Macoupin County to pay ROE expenses, such as payroll, phone, rent and office supplies.

Virden-Girard Committee of 10 – This fund was set up to distribute the money received from this committee to have a feasibility study to combine Virden and Girard School Districts as one. The state gave a reorganization incentive to do this study.

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.

**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)

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 (09-4932-00) and Title IV – Safe and Drug Free Schools (09-4400-00).

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.

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.

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.

**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)

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.

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.

Federal Stimulus State Aid for Safe Schools – Under the Federal American Recovery and Reinvestment Act of 2009, Regional Office of Education #40 Safe School received funding through the State Fiscal Stabilization Fund to pay salaries of administration, teachers and support staff, purchase textbooks and equipment, support programs designed to address the educational needs of at-risk students of academic failure in lieu of suspension or expulsion from their local school district, and to meet the general expenses of the Safe School Program. All funding is subject to stringent accountability and reporting requirements.

Federal Stimulus State Aid for Adult Education – Under the Federal American Recovery and Reinvestment Act of 2009, Regional Office of Education #40 Adult Learning Center received funding through the State Fiscal Stabilization Fund to pay salaries of administration, teachers and support staff, purchase textbooks and equipment, support programs designed to prepare school drop-outs and adult learners for their GED certificates, and to meet the general expenses of the Adult Education Center. All funding is subject to stringent accountability and reporting requirements.

**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 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.

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.

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)

Teen Parent Services – Monies received from the Department of Human Services to provide services, such as counseling and GED preparation, for teens who are parents or soon-to-be parents.

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

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

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

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

Enterprise Fund

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.

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.

Under the provision of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Regional Office of Education #40 applies all GASB pronouncements and has elected to apply only the pronouncements issued on or before November 30, 1989 for the following: Statements and Interpretations of the Financial Accounting Standards Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

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.

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. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, effective for the fiscal year beginning July 1, 2008. The Regional Office of Education #40 has also implemented GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, effective for the fiscal year beginning July 1, 2008. These Statements 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 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities 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 \$24,924 difference are as follows:

Capital outlay	\$ 2,046
Depreciation expense	<u>(26,970)</u>
Net adjustment to decrease "net changes in fund balances - governmental funds" to arrive at "changes in net assets of governmental activities"	<u>\$ (24,924)</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 detail of the reconciling amount is as follows:

Principal repayments:	
Notes payable	<u>\$ 1,749</u>

Another element of that reconciliation states that "revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds. This is the effect of this difference in revenue recognition." The details of the reconciling amount are as follows:

Government-wide Statement of Activities revenue deferred on the Governmental Funds Balance Sheet:	
Local sources	\$ 6,510
State sources	<u>1,230</u>
Net adjustment to increase "total fund balances - governmental funds" to arrive at "net assets of governmental activities"	<u>\$ 7,740</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, Regional Safe Schools, Adult Education - Performance, Adult Education - State Basic, Adult Education - Public Assistance, Adult Education - Federal Basic, 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, 2009, the carrying amounts of the Regional Office of Education #40's deposits for the governmental activities, business-type activities, and fiduciary funds were \$64,828, \$0, and \$55, respectively. The bank balances for the governmental and business-type activities totaled \$90,825, while the bank balances for the fiduciary funds totaled \$36,664. All bank balances were secured by federal depository insurance.

B. Investments

The Illinois Funds Money Market Fund account has a balance of \$71,927 at June 30, 2009. This fund enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds.

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

NOTES TO FINANCIAL STATEMENTS

6. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Although not subject to direct regulatory oversight, the investment pool is administered by the Illinois State Treasurer in accordance with the provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. The investment policy of the Illinois Funds states that, unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity. The policy also limits investment categories to 25% of the portfolio, with the exception of cash equivalents and U.S. Treasury securities, unless specifically authorized by the Treasurer. Further, certificates of deposit cannot exceed 10% of any single financial institution's total deposits. The Illinois Funds received Standard & Poor's highest rating.

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 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	293,206	2,046	-	295,252
Total capital assets being depreciated	<u>310,336</u>	<u>2,046</u>	<u>-</u>	<u>312,382</u>
Less accumulated depreciation for:				
Building improvements	(8,711)	(1,244)	-	(9,955)
Equipment and furniture	(204,692)	(25,726)	-	(230,418)
Total accumulated depreciation	<u>(213,403)</u>	<u>(26,970)</u>	<u>-</u>	<u>(240,373)</u>
 Governmental activities capital assets, net	 <u>\$ 96,933</u>	 <u>\$(24,924)</u>	 <u>\$ -</u>	 <u>\$ 72,009</u>

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

Governmental activities:	
Instructional services:	
Depreciation	<u>\$ 26,970</u>

**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, 2009, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2008 and 2007.

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, 2009, and the member THIS Fund health insurance contribution was 0.84 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #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, 2009, State of Illinois contributions were based on 17.08 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #40 recognized revenue and expenditures of \$58,144 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2008, and June 30, 2007, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 13.11 percent (\$51,727) and 9.78 percent (\$33,286), respectively.

The state contributions to TRS for the years ended June 30, 2009 and June 30, 2008 were based on an actuarial formula. The state contribution for the year ended June 30, 2007 was based on a dollar amount specified by the statute and was 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, 2009 were \$2,287. Contributions for the years ended June 30, 2008 and June 30, 2007 were \$2,289 and \$1,974, 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, 2009, the employer pension contribution was 17.08 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2008 and 2007, the employer pension contribution was 13.11 and 9.78 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2009, salaries totaling \$53,876 were paid from federal and special trust funds that required employer contributions of \$9,202. For the years ended June 30, 2008 and June 30, 2007, required Regional Office of Education #40 contributions were \$6,087 and \$3,698, 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.

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

**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, 2009, 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, 2009, 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 (18.67 percent of salary during the year ended June 30, 2009).

For the three years ended June 30, 2009, 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, 2008. The report for the year ended June 30, 2009, is expected to be available in late 2009.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P. O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS 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 2008 was 14.33 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 2008, the Regional Office of Education #40's annual pension cost of \$32,175 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

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2008	\$ 32,175	100%	\$ -
12/31/2007	25,552	100%	-
12/31/2006	25,759	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 for 2008 was determined as part of the December 31, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 11.6 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 20 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 the December 31, 2006 valuation, was 5 years.

Funded Status and Funding Progress – As of December 31, 2008, the most recent actuarial valuation date, the regular plan was 93.83 percent funded. The actuarial accrued liability for benefits was \$531,226 and the actuarial value of assets was \$498,437, resulting in an underfunded actuarial accrued liability (UAAL) of \$32,789. The covered payroll (annual payroll of active employees covered by the plan) was \$224,531 and the ratio of the UAAL to the covered payroll was 15 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, 2009, interfund receivables and payables were as follows:

Due To (Receivable)	Due From (Payable)	Balance at June 30, 2009
General Fund:	Education Fund:	
Testing Center	Preschool Monitoring	\$ 12,752
Testing Center	Illinois New Principal Mentoring	4,739
Testing Center	Regional System of Support Provider	4,683
Regional Initiative Fund	Regional System of Support Provider	2,908
Direct Services	Regional System of Support Provider	1,625
Macoupin County Monies	Regional Safe Schools	1,200
Regional Initiative Fund	Regional Safe Schools	1,300
Regional Initiative Fund	Truants Alt/Optional Ed	31,078
Direct Services	Regional Safe Schools	43,118
Macoupin County Monies	Adult Education-Performance	2,110
		105,513
General Fund:	Nonmajor Governmental Fund:	
Macoupin County Monies	Teen Parent Services	10,330
General Fund:	Nonmajor Proprietary Fund:	
Testing Center	Administrators' Academy	173
Macoupin County Monies	Administrators' Academy	1,869
		2,042
Nonmajor Governmental Fund:	Education Fund:	
Bus Driver	Regional System of Support Provider	6,416
General Education Development	Regional Safe Schools	4,300
Alternative Schools	Adult Education-Federal Basic	34
Olympiad	Adult Education-Performance	1,926
Olympiad	Adult Education-Public Assistance	9,201
Olympiad	Adult Education-State Basic	2,140
Alternative Schools	Adult Education-State Basic	3,183
		27,200
Education Fund:	General Fund:	
Regional Safe Schools	ROE/ISC Operations	37,553
		\$ 182,638

All of the interfund balances consist of loans between individual funds within the same pooled cash account. The loans were used to cover cash shortages in these individual funds.

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

NOTES TO FINANCIAL STATEMENTS

10. 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:

Various Local School Districts	\$ 1,127
Illinois State Board of Education	22,533
	23,660

Education Fund:

Illinois Community College Board	25,090
Illinois State Board of Education	55,581
Illinois Principals Association	4,500
Regional Office of Education #27	11,497
Regional Office of Education #50	6,911
	103,579

Nonmajor Governmental Fund:

Regional Office of Education #10	133
Regional Office of Education #13	146
Regional Office of Education #41	609
Regional Office of Education #45	88
Regional Office of Education #50	350
Illinois Department of Human Services	14,073
	15,399

Nonmajor Proprietary Fund:

Regional Office of Education #1	3,051
	3,051

Total	\$ 145,689
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Due To Other Governments:

Fiduciary Fund:

Central Illinois Rural Regional Career & Technical Education System	\$ 55
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**CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES
REGIONAL OFFICE OF EDUCATION #40**

NOTES TO FINANCIAL STATEMENTS

11. SHORT-TERM DEBT

The Regional Office of Education #40 received a short-term interest-free loan from Macoupin County to fund its operations prior to receipt of State monies as follows:

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
Governmental activities:				
Interest Free Loan from Macoupin County	\$ -	\$ 100,000	\$ 100,000	\$ -
	-	100,000	100,000	-

12. LONG-TERM LIABILITIES

Note payable

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

	Interest Rate	Amount
Governmental activities:		
Bank note, serviced by the General Fund, proceeds used to purchase a copier	6.25%	\$ 7,975
		7,975

Notes payable debt service requirements to maturity are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2010	1,899	446
2011	2,022	323
2012	2,152	193
2013	1,902	54
Total	\$ 7,975	\$ 1,016

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

NOTES TO FINANCIAL STATEMENTS

12. LONG-TERM LIABILITIES (Continued)

Changes in Long-Term Liabilities

Total long-term liability activity for the year ended June 30, 2009 was as follows:

	Balance at July 1, 2008	Additions	Reductions	Balance at June 30, 2009	Due Within One Year
Note payable for copier	\$ 9,724	\$ -	\$ 1,749	\$ 7,975	\$ 1,899

13. BOND

The Illinois School Code (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.

14. ON-BEHALF PAYMENTS

The Regional Office of Education #40 has received on-behalf payments for salaries and benefits from the State of Illinois as follows:

Regional Superintendent - salary	\$ 96,435
Regional Superintendent - benefits (includes State paid insurance)	20,453
Assistant Regional Superintendent - salary	86,791
Assistant Regional Superintendent - benefits (includes State paid insurance)	15,998
TRS pension contributions	<u>58,144</u>
State of Illinois total	<u>\$ 277,821</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.

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

NOTES TO FINANCIAL STATEMENTS

15. 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.

16. 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.

17. OPERATING LEASES

During the fiscal year ended June 30, 2003, 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 monthly lease payments of \$1,815 through June 30, 2009, \$1,905 through June 30, 2010, \$2,000 through June 30, 2012, and \$2,100 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>
2010	\$ 22,863
2011	24,000
2012	24,000
2013	<u>25,200</u>
	<u>\$ 96,063</u>

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

NOTES TO FINANCIAL STATEMENTS

19. DEFICIT FUND BALANCES

The following individual funds carried the following deficit balances as of June 30, 2009:

Adult Education - Public Assistance	\$ 2,153
Adult Education - Federal Basic	\$ 1,653
Regional System of Support Provider	\$ 8,721
Preschool Monitoring	\$ 1,255
Illinois New Principal Mentoring	\$ 2,489
Federal Stimulus State Aid for Adult Education	\$ 3,667
Teen Parent Services	\$ 1,167

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

**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**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/2008	\$ 498,437	\$ 531,226	\$ 32,789	93.83%	\$ 224,531	14.60%
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%

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$350,220. On a market basis, the funded ratio would be 65.93%.

Digest of Changes:

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

SUPPLEMENTAL INFORMATION

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

**COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2009**

	<u>Administrative Fund</u>	<u>Testing Center</u>	<u>Jerseyville Office Account</u>
ASSETS			
Cash	\$ -	\$ 328	\$ 13,999
Accounts receivable	9,765	-	-
Investments	-	-	-
Due from other funds	-	24,216	-
Due from other governments	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 9,765</u>	<u>\$ 24,544</u>	<u>\$ 13,999</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 171	\$ 446	\$ -
Due to other funds	1,869	-	-
Deferred revenue	4,260	-	8,035
	<hr/>	<hr/>	<hr/>
Total liabilities	6,300	446	8,035
 FUND BALANCES			
Unreserved	<hr/> 3,465	<hr/> 24,098	<hr/> 5,964
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 9,765</u>	<u>\$ 24,544</u>	<u>\$ 13,999</u>

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

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
GENERAL FUND
June 30, 2009**

	ROE/ISC Operations	Direct Services	Regional Initiative Fund
ASSETS			
Cash	\$ -	\$ -	\$ -
Accounts receivable	-	-	-
Investments	15,022	-	-
Due from other funds	-	44,743	35,286
Due from other governments	22,533	1,127	-
	<u>\$ 37,555</u>	<u>\$ 45,870</u>	<u>\$ 35,286</u>
Total assets	<u>\$ 37,555</u>	<u>\$ 45,870</u>	<u>\$ 35,286</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	37,553	-	-
Deferred revenue	-	-	-
	<u>37,553</u>	<u>-</u>	<u>-</u>
Total liabilities	37,553	-	-
FUND BALANCES			
Unreserved	<u>2</u>	<u>45,870</u>	<u>35,286</u>
Total liabilities and fund balances	<u>\$ 37,555</u>	<u>\$ 45,870</u>	<u>\$ 35,286</u>

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

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
GENERAL FUND
June 30, 2009**

	Macoupin County Monies	Virden-Girard Committee of 10	Eliminations	Totals
ASSETS				
Cash	\$ 123	\$ -	\$ -	\$ 14,450
Accounts receivable	-	-	-	9,765
Investments	-	-	-	15,022
Due from other funds	15,509	-	(1,869)	117,885
Due from other governments	-	-	-	23,660
	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,660</u>
Total assets	<u>\$ 15,632</u>	<u>\$ -</u>	<u>\$ (1,869)</u>	<u>\$ 180,782</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 617
Due to other funds	-	-	(1,869)	37,553
Deferred revenue	13,152	-	-	25,447
	<u>13,152</u>	<u>-</u>	<u>-</u>	<u>25,447</u>
Total liabilities	13,152	-	(1,869)	63,617
FUND BALANCES				
Unreserved	2,480	-	-	117,165
	<u>2,480</u>	<u>-</u>	<u>-</u>	<u>117,165</u>
Total liabilities and fund balances	<u>\$ 15,632</u>	<u>\$ -</u>	<u>\$ (1,869)</u>	<u>\$ 180,782</u>

**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, 2009**

	Administrative Fund	Testing Center	Jerseyville Office Account
Revenues:			
Local sources	\$ 32,731	\$ 25,807	\$ 66,727
State sources	-	-	-
On-behalf payments	277,821	-	-
Interest	-	-	-
Total revenues	<u>310,552</u>	<u>25,807</u>	<u>66,727</u>
Expenditures:			
Salaries and benefits	929	-	77,118
Purchased services	15,681	12,476	6,202
Supplies and materials	4,567	5,412	587
Capital outlay	850	-	-
Other objects	-	-	1,068
Debt service:			
Principal	1,749	-	-
Interest	597	-	-
On-behalf payments	277,821	-	-
Total expenditures	<u>302,194</u>	<u>17,888</u>	<u>84,975</u>
Excess (deficiency) of revenues over (under) expenditures	8,358	7,919	(18,248)
Other financing uses:			
Transfers out	-	-	-
Net change in fund balances	8,358	7,919	(18,248)
Fund balances (deficits), beginning of year	<u>(4,893)</u>	<u>16,179</u>	<u>24,212</u>
Fund balances, end of year	<u>\$ 3,465</u>	<u>\$ 24,098</u>	<u>\$ 5,964</u>

**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, 2009

	ROE/ISC Operations	Direct Services	Regional Initiative Fund
Revenues:			
Local sources	\$ -	\$ 23,770	\$ 300
State sources	80,088	-	-
On-behalf payments	-	-	-
Interest	1	-	-
Total revenues	<u>80,089</u>	<u>23,770</u>	<u>300</u>
Expenditures:			
Salaries and benefits	67,628	-	-
Purchased services	10,301	15,896	500
Supplies and materials	962	-	65
Capital outlay	1,196	-	-
Other objects	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
On-behalf payments	-	-	-
Total expenditures	<u>80,087</u>	<u>15,896</u>	<u>565</u>
Excess (deficiency) of revenues over (under) expenditures	2	7,874	(265)
Other financing uses:			
Transfers out	-	-	(7,725)
Net change in fund balances	2	7,874	(7,990)
Fund balances (deficits), beginning of year	<u>-</u>	<u>37,996</u>	<u>43,276</u>
Fund balances, end of year	<u>\$ 2</u>	<u>\$ 45,870</u>	<u>\$ 35,286</u>

**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, 2009

	Macoupin County Monies	Virden-Girard Committee of 10	Totals
Revenues:			
Local sources	\$ 72,762	\$ 1,000	\$ 223,097
State sources	-	6,500	86,588
On-behalf payments	-	-	277,821
Interest	-	-	1
Total revenues	72,762	7,500	587,507
Expenditures:			
Salaries and benefits	46,957	-	192,632
Purchased services	23,325	7,407	91,788
Supplies and materials	-	93	11,686
Capital outlay	-	-	2,046
Other objects	-	-	1,068
Debt service:			
Principal	-	-	1,749
Interest	-	-	597
On-behalf payments	-	-	277,821
Total expenditures	70,282	7,500	579,387
Excess (deficiency) of revenues over (under) expenditures	2,480	-	8,120
Other financing uses:			
Transfers out	-	-	(7,725)
Net change in fund balances	2,480	-	395
Fund balances (deficits), beginning of year	-	-	116,770
Fund balances, end of year	\$ 2,480	\$ -	\$ 117,165

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

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND ACCOUNTS
ROE/ISC OPERATIONS - PROJECT #09-3730-00
For the year ended June 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 80,088	\$ 80,088	\$ 80,088	\$ -
Interest	-	-	1	1
Total revenues	80,088	80,088	80,089	1
Expenditures:				
Salaries and benefits	70,088	66,338	67,628	(1,290)
Purchased services	9,000	11,750	10,301	1,449
Supplies and materials	1,000	1,000	962	38
Capital outlay	-	1,000	1,196	(196)
Total expenditures	80,088	80,088	80,087	1
Excess of revenues over expenditures	\$ -	\$ -	2	\$ 2
Fund balance, beginning of year			-	
Fund balance, end of year			\$ 2	

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

**COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2009**

	<u>Truants Alternative/ Optional Education</u>	<u>Mini Grants</u>	<u>Regional Safe Schools</u>
ASSETS			
Cash	\$ -	\$ -	\$ 2,702
Investments	11,330	-	30,000
Due from other funds	-	-	37,553
Due from other governments	<u>22,664</u>	<u>-</u>	<u>32,880</u>
 Total assets	 <u>\$ 33,994</u>	 <u>\$ -</u>	 <u>\$ 103,135</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 670
Payroll liabilities payable	2,867	-	8,993
Claims payable	-	-	632
Due to other funds	31,078	-	49,918
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>
 Total liabilities	 33,945	 -	 60,213
 FUND BALANCES			
Unreserved	<u>49</u>	<u>-</u>	<u>42,922</u>
 Total liabilities and fund balances	 <u>\$ 33,994</u>	 <u>\$ -</u>	 <u>\$ 103,135</u>

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

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2009**

	Adult Education - Performance	Adult Education - State Basic	Adult Education - Public Assistance
ASSETS			
Cash	\$ -	\$ -	\$ -
Investments	-	-	-
Due from other funds	-	-	-
Due from other governments	5,871	6,812	12,407
Total assets	\$ 5,871	\$ 6,812	\$ 12,407
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Payroll liabilities payable	1,835	1,483	5,359
Claims payable	-	-	-
Due to other funds	4,036	5,323	9,201
Deferred revenue	-	-	-
Total liabilities	5,871	6,806	14,560
FUND BALANCES			
Unreserved	-	6	(2,153)
Total liabilities and fund balances	\$ 5,871	\$ 6,812	\$ 12,407

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

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2009**

	National School Lunch	Adult Education - Federal Basic	Regional System of Support Provider
ASSETS			
Cash	\$ 3,383	\$ -	\$ -
Investments	-	-	-
Due from other funds	-	-	-
Due from other governments	37	-	6,911
	<u>37</u>	<u>-</u>	<u>6,911</u>
Total assets	<u>\$ 3,420</u>	<u>\$ -</u>	<u>\$ 6,911</u>
LIABILITES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 395	\$ -	\$ -
Payroll liabilities payable	-	1,619	-
Claims payable	-	-	-
Due to other funds	-	34	15,632
Deferred revenue	-	-	-
	<u>395</u>	<u>1,653</u>	<u>15,632</u>
Total liabilities	<u>395</u>	<u>1,653</u>	<u>15,632</u>
FUND BALANCES			
Unreserved	<u>3,025</u>	<u>(1,653)</u>	<u>(8,721)</u>
Total liabilities and fund balances	<u>\$ 3,420</u>	<u>\$ -</u>	<u>\$ 6,911</u>

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

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2009**

	Mathematics and Science Partnerships	Preschool Monitoring	English Language Learners Professional Development
ASSETS			
Cash	\$ -	\$ -	\$ -
Investments	-	-	-
Due from other funds	-	-	-
Due from other governments	-	11,497	-
	-	11,497	-
Total assets	\$ -	\$ 11,497	\$ -
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Payroll liabilities payable	-	-	-
Claims payable	-	-	-
Due to other funds	-	12,752	-
Deferred revenue	-	-	-
	-	12,752	-
Total liabilities	-	12,752	-
FUND BALANCES			
Unreserved	-	(1,255)	-
Total liabilities and fund balances	\$ -	\$ 11,497	\$ -

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

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2009**

	Beginning Teacher Induction and Mentoring	Illinois New Principal Mentoring	Federal Stimulus State Aid for Safe Schools
ASSETS			
Cash	\$ 9,623	\$ -	\$ 9,564
Investments	15,500	-	-
Due from other funds	-	-	-
Due from other governments	-	4,500	-
	<u>\$ 25,123</u>	<u>\$ 4,500</u>	<u>\$ 9,564</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 495	\$ -	\$ -
Payroll liabilities payable	-	-	9,343
Claims payable	-	-	-
Due to other funds	-	4,739	-
Deferred revenue	23,790	2,250	-
	<u>24,285</u>	<u>6,989</u>	<u>9,343</u>
FUND BALANCES			
Unreserved	<u>838</u>	<u>(2,489)</u>	<u>221</u>
	<u>\$ 25,123</u>	<u>\$ 4,500</u>	<u>\$ 9,564</u>

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

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2009**

	<u>Federal Stimulus State Aid for Adult Education</u>	<u>Totals</u>
ASSETS		
Cash	\$ 405	\$ 25,677
Investments	-	56,830
Due from other funds	-	37,553
Due from other governments	-	103,579
	\$ 405	\$ 223,639
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ -	\$ 1,560
Payroll liabilities payable	4,072	35,571
Claims payable	-	632
Due to other funds	-	132,713
Deferred revenue	-	26,040
	4,072	196,516
FUND BALANCES		
Unreserved	<u>(3,667)</u>	<u>27,123</u>
	\$ 405	\$ 223,639

**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, 2009**

	Truants Alternative/ Optional Education	Mini Grants	Regional Safe Schools
Revenues:			
Local sources	\$ -	\$ -	\$ 1,447
State sources	113,304	-	256,456
Federal sources	-	493	-
Interest	1	-	24
Total revenues	113,305	493	257,927
Expenditures:			
Salaries and benefits	101,034	-	200,202
Purchased services	8,630	493	42,313
Supplies and materials	3,640	-	14,266
Other objects	-	-	-
Total expenditures	113,304	493	256,781
Excess (deficiency) of revenues over (under) expenditures	1	-	1,146
Other financing sources:			
Transfers in	-	-	-
Net change in fund balances	1	-	1,146
Fund balances (deficits), beginning of year	48	-	41,776
Fund balances (deficits), end of year	\$ 49	\$ -	\$ 42,922

**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, 2009**

	Adult Education - Performance	Adult Education - State Basic	Adult Education - Public Assistance
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	25,441	29,520	49,630
Federal sources	-	-	-
Interest	-	4	11
Total revenues	<u>25,441</u>	<u>29,524</u>	<u>49,641</u>
Expenditures:			
Salaries and benefits	24,932	25,996	46,799
Purchased services	-	2,933	-
Supplies and materials	-	-	1,838
Other objects	509	591	993
Total expenditures	<u>25,441</u>	<u>29,520</u>	<u>49,630</u>
Excess (deficiency) of revenues over (under) expenditures	-	4	11
Other financing sources:			
Transfers in	-	-	-
Net change in fund balances	-	4	11
Fund balances (deficits), beginning of year	<u>-</u>	<u>2</u>	<u>(2,164)</u>
Fund balances (deficits), end of year	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ (2,153)</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, 2009**

	National School Lunch	Adult Education - Federal Basic	Regional System of Support Provider
Revenues:			
Local sources	\$ 1,169	\$ -	\$ -
State sources	165	-	4,546
Federal sources	3,583	30,036	41,620
Interest	-	-	-
	<u>4,917</u>	<u>30,036</u>	<u>46,166</u>
Total revenues			
	<u>4,917</u>	<u>30,036</u>	<u>46,166</u>
Expenditures:			
Salaries and benefits	-	25,599	42,071
Purchased services	4,077	1,039	4,095
Supplies and materials	-	2,797	-
Other objects	-	601	-
	<u>4,077</u>	<u>30,036</u>	<u>46,166</u>
Total expenditures			
	<u>4,077</u>	<u>30,036</u>	<u>46,166</u>
Excess (deficiency) of revenues over (under) expenditures	840	-	-
Other financing sources:			
Transfers in	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances			
	<u>840</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), beginning of year	2,185	(1,653)	(8,721)
	<u>2,185</u>	<u>(1,653)</u>	<u>(8,721)</u>
Fund balances (deficits), end of year	\$ 3,025	\$ (1,653)	\$ (8,721)
	<u>\$ 3,025</u>	<u>\$ (1,653)</u>	<u>\$ (8,721)</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, 2009**

	Mathematics and Science Partnerships	Preschool Monitoring	English Language Learners Professional Development
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	-	25,500	-
Federal sources	1,822	-	12,000
Interest	-	-	-
	<u>1,822</u>	<u>25,500</u>	<u>12,000</u>
Expenditures:			
Salaries and benefits	1,957	-	8,700
Purchased services	61	24,743	2,805
Supplies and materials	-	757	495
Other objects	-	-	-
	<u>2,018</u>	<u>25,500</u>	<u>12,000</u>
Excess (deficiency) of revenues over (under) expenditures	(196)	-	-
Other financing sources:			
Transfers in	196	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances (deficits), beginning of year	-	(1,255)	-
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, 2009**

	<u>Beginning Teacher Induction and Mentoring</u>	<u>Illinois New Principal Mentoring</u>	<u>Federal Stimulus State Aid for Safe Schools</u>
Revenues:			
Local sources	\$ 1,000	\$ -	\$ -
State sources	222,500	19,326	-
Federal sources	-	-	30,620
Interest	9	-	-
	<u>223,509</u>	<u>19,326</u>	<u>30,620</u>
Total revenues			
Expenditures:			
Salaries and benefits	57,272	7,203	26,058
Purchased services	154,390	14,610	1,769
Supplies and materials	11,027	2	2,572
Other objects	-	-	-
	<u>222,689</u>	<u>21,815</u>	<u>30,399</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	820	(2,489)	221
Other financing sources:			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	820	(2,489)	221
Fund balances (deficits), beginning of year	<u>18</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ 838</u>	<u>\$ (2,489)</u>	<u>\$ 221</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, 2009**

	<u>Federal Stimulus State Aid for Adult Education</u>	<u>Totals</u>
Revenues:		
Local sources	\$ -	\$ 3,616
State sources	-	746,388
Federal sources	21,374	141,548
Interest	-	49
	<u>21,374</u>	<u>891,601</u>
Expenditures:		
Salaries and benefits	15,843	583,666
Purchased services	7,050	269,008
Supplies and materials	2,148	39,542
Other objects	-	2,694
	<u>25,041</u>	<u>894,910</u>
Excess (deficiency) of revenues over (under) expenditures	(3,667)	(3,309)
Other financing sources:		
Transfers in	-	196
	<u>(3,667)</u>	<u>(3,113)</u>
Net change in fund balances	(3,667)	(3,113)
Fund balances (deficits), beginning of year	-	30,236
Fund balances (deficits), end of year	<u>\$ (3,667)</u>	<u>\$ 27,123</u>

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION - PROJECT #09-3695-00
For the year ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources	\$ 113,304	\$ 113,304	\$ 113,304	\$ -
Interest	-	-	1	1
Total revenue	<u>113,304</u>	<u>113,304</u>	<u>113,305</u>	<u>1</u>
Expenditures:				
Salaries and benefits	101,035	101,035	101,034	1
Purchased services	8,550	8,550	8,630	(80)
Supplies and materials	3,719	3,719	3,640	79
Total expenditures	<u>113,304</u>	<u>113,304</u>	<u>113,304</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	1	<u>\$ 1</u>
Fund balance, beginning of year			<u>48</u>	
Fund balance, end of year			<u>\$ 49</u>	

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE II - TEACHER QUALITY - PROJECT #09-4932-00
For the year ended June 30, 2009**

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Revenues:				
Federal sources	\$ 439	\$ 439	\$ 439	\$ -
Expenditures:				
Purchased services	439	439	439	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

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 #09-4400-00
For the year ended June 30, 2009**

	<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	\$ 54	\$ 54	\$ 54	\$ -
Expenditures:				
Purchased services	54	54	54	-
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 #09-3696-00
For the year ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources	\$ -	\$ -	\$ 1,447	\$ 1,447
State sources	152,880	152,880	256,456	103,576
Interest	-	-	24	24
	<u>152,880</u>	<u>152,880</u>	<u>257,927</u>	<u>105,047</u>
Expenditures:				
Salaries and benefits	120,835	120,835	200,202	(79,367)
Purchased services	30,820	30,820	42,313	(11,493)
Supplies and materials	1,225	1,225	14,266	(13,041)
	<u>152,880</u>	<u>152,880</u>	<u>256,781</u>	<u>(103,901)</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	1,146	<u>\$ 1,146</u>
Fund balance, beginning of year			<u>41,776</u>	
Fund balance, end of year			<u>\$ 42,922</u>	

Note: Actual column also includes Regional Safe Schools State Aid revenue (project #09-3001-93) of \$103,576.

**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, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources	<u>\$ 37,950</u>	<u>\$ 26,093</u>	<u>\$ 25,441</u>	<u>\$ (652)</u>
Expenditures:				
Salaries and benefits	37,200	25,571	24,932	639
Other objects	<u>750</u>	<u>522</u>	<u>509</u>	<u>13</u>
Total expenditures	<u>37,950</u>	<u>26,093</u>	<u>25,441</u>	<u>652</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
ADULT EDUCATION - STATE BASIC - PROJECT #536 AB
For the year ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources	\$ 37,390	\$ 30,277	\$ 29,520	\$ (757)
Interest	-	-	4	4
Total revenues	<u>37,390</u>	<u>30,277</u>	<u>29,524</u>	<u>(753)</u>
Expenditures:				
Salaries and benefits	33,570	26,663	25,996	667
Purchased services	3,120	3,008	2,933	75
Other objects	700	606	591	15
Total expenditures	<u>37,390</u>	<u>30,277</u>	<u>29,520</u>	<u>757</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	4	<u>\$ 4</u>
Fund balance, beginning of year			<u>2</u>	
Fund balance, end of year			<u>\$ 6</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, 2009**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources	\$ 49,630	\$ 49,630	\$ 49,630	\$ -
Interest	-	-	11	11
Total revenues	<u>49,630</u>	<u>49,630</u>	<u>49,641</u>	<u>11</u>
Expenditures:				
Salaries and benefits	41,890	46,799	46,799	-
Purchased services	6,620	-	-	-
Supplies and materials	130	1,838	1,838	-
Other objects	990	993	993	-
Total expenditures	<u>49,630</u>	<u>49,630</u>	<u>49,630</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	11	<u>\$ 11</u>
Fund balance (deficit), beginning of year			<u>(2,164)</u>	
Fund balance (deficit), end of year			<u>\$ (2,153)</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, 2009**

	<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>\$ 39,275</u>	<u>\$ 30,036</u>	<u>\$ 30,036</u>	<u>\$ -</u>
Expenditures:				
Salaries and benefits	34,730	25,599	25,599	-
Purchased services	2,070	-	1,039	(1,039)
Supplies and materials	1,690	3,836	2,797	1,039
Other objects	<u>785</u>	<u>601</u>	<u>601</u>	<u>-</u>
Total expenditures	<u>39,275</u>	<u>30,036</u>	<u>30,036</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance (deficit), beginning of year			<u>(1,653)</u>	
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
MATHEMATICS AND SCIENCE PARTNERSHIPS - PROJECT #08-4936-00
For the year ended June 30, 2009**

	<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>\$ 58,303</u>	<u>\$ 58,303</u>	<u>\$ 1,822</u>	<u>\$ (56,481)</u>
Expenditures:				
Salaries and benefits	12,354	12,354	1,957	10,397
Purchased services	44,349	44,349	61	44,288
Supplies and materials	<u>1,600</u>	<u>1,600</u>	<u>-</u>	<u>1,600</u>
Total expenditures	<u>58,303</u>	<u>58,303</u>	<u>2,018</u>	<u>56,285</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(196)</u>	<u>\$ (196)</u>
Other financing sources:				
Transfers in			<u>196</u>	
Net change in fund balance			-	
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
ENGLISH LANGUAGE LEARNERS PROFESSIONAL DEVELOPMENT
PROJECT #09-4999-PD
For the year ended June 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Federal sources	\$ 12,000	\$ 12,000	\$ 12,000	\$ -
Expenditures:				
Salaries and benefits	8,700	8,700	8,700	-
Purchased services	2,050	2,050	2,805	(755)
Supplies and materials	1,250	1,250	495	755
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
BEGINNING TEACHER INDUCTION & MENTORING - PROJECT #08-3982-01
For the year ended June 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 94,342	\$ 166,959	\$ 153,290	\$ (13,669)
Interest	-	-	6	6
Total revenues	<u>94,342</u>	<u>166,959</u>	<u>153,296</u>	<u>(13,663)</u>
Expenditures:				
Salaries and benefits	37,294	37,873	28,017	9,856
Purchased services	56,248	117,646	116,396	1,250
Supplies and materials	800	11,440	8,877	2,563
Total expenditures	<u>94,342</u>	<u>166,959</u>	<u>153,290</u>	<u>13,669</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	6	<u>\$ 6</u>
Fund balance, beginning of year			<u>18</u>	
Fund balance, December 31, 2008			<u>\$ 24</u>	

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

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
BEGINNING TEACHER INDUCTION & MENTORING - PROJECT #09-3982-00
For the year ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources	\$ -	\$ -	\$ 1,000	\$ 1,000
State sources	172,984	172,984	69,210	(103,774)
Interest	-	-	3	3
	<u>172,984</u>	<u>172,984</u>	<u>70,213</u>	<u>(102,771)</u>
Expenditures:				
Salaries and benefits	46,264	44,218	29,255	14,963
Purchased services	112,620	114,666	37,994	76,672
Supplies and materials	14,100	14,100	2,150	11,950
	<u>172,984</u>	<u>172,984</u>	<u>69,399</u>	<u>103,585</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	814	<u>\$ 814</u>
Fund balance, January 1, 2009			<u>24</u>	
Fund balance, end of year			<u>\$ 838</u>	

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

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2009

	<u>General Education Development</u>	<u>Seventh Judicial Family Violence</u>	<u>Bus Driver</u>
ASSETS			
Cash	\$ 64	\$ 8,268	\$ -
Accounts receivable	153	-	-
Investments	-	-	-
Due from other funds	4,300	-	6,416
Due from other governments	1,326	-	-
	<u>5,843</u>	<u>8,268</u>	<u>6,416</u>
Total assets	<u>\$ 5,843</u>	<u>\$ 8,268</u>	<u>\$ 6,416</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Payroll liabilities payable	-	-	-
Claims payable	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	7,487	-
	<u>-</u>	<u>7,487</u>	<u>-</u>
Total liabilities	-	7,487	-
FUND BALANCES			
Unreserved	<u>5,843</u>	<u>781</u>	<u>6,416</u>
Total liabilities and fund balances	<u>\$ 5,843</u>	<u>\$ 8,268</u>	<u>\$ 6,416</u>

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

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

June 30, 2009

	Institute	Olympiad Fund	Trustee
ASSETS			
Cash	\$ 16,319	\$ -	\$ 50
Accounts receivable	595	-	-
Investments	75	-	-
Due from other funds	-	13,267	-
Due from other governments	-	-	-
	\$ 16,989	\$ 13,267	\$ 50
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ 4,512	\$ -
Payroll liabilities payable	-	-	-
Claims payable	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
	-	4,512	-
Total liabilities	-	4,512	-
FUND BALANCES			
Unreserved	16,989	8,755	50
	\$ 16,989	\$ 13,267	\$ 50
Total liabilities and fund balances	\$ 16,989	\$ 13,267	\$ 50

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

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

June 30, 2009

	<u>Supervisory</u>	<u>Student Social Services</u>	<u>Truancy</u>
ASSETS			
Cash	\$ -	\$ -	\$ -
Accounts receivable	-	-	-
Investments	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Payroll liabilities payable	-	-	-
Claims payable	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	-	-	-
 FUND BALANCES			
Unreserved	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

June 30, 2009

	Alternative Schools	Teen Parent Services	Totals
ASSETS			
Cash	\$ -	\$ -	\$ 24,701
Accounts receivable	-	-	748
Investments	-	-	75
Due from other funds	3,217	-	27,200
Due from other governments	-	14,073	15,399
	<u>\$ 3,217</u>	<u>\$ 14,073</u>	<u>\$ 68,123</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 328	\$ -	\$ 4,840
Payroll liabilities payable	-	3,680	3,680
Claims payable	632	-	632
Due to other funds	-	10,330	10,330
Deferred revenue	-	1,230	8,717
	<u>960</u>	<u>15,240</u>	<u>28,199</u>
FUND BALANCES			
Unreserved	<u>2,257</u>	<u>(1,167)</u>	<u>39,924</u>
	<u>\$ 3,217</u>	<u>\$ 14,073</u>	<u>\$ 68,123</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, 2009**

	<u>General Education Development</u>	<u>Seventh Judicial Family Violence</u>	<u>Bus Driver</u>
Revenues:			
Local sources	\$ 20,646	\$ -	\$ 1,207
State sources	-	17,822	873
Federal sources	-	-	-
Interest	-	-	-
	<u>20,646</u>	<u>17,822</u>	<u>2,080</u>
Expenditures:			
Salaries and benefits	11,226	15,596	-
Purchased services	6,163	1,708	1,821
Supplies and materials	1,497	491	337
Other objects	-	-	-
	<u>18,886</u>	<u>17,795</u>	<u>2,158</u>
Excess (deficiency) of revenues over (under) expenditures	1,760	27	(78)
Other financing sources:			
Transfers in	-	-	-
	<u>1,760</u>	<u>27</u>	<u>(78)</u>
Fund balances (deficits), beginning of year	<u>4,083</u>	<u>754</u>	<u>6,494</u>
Fund balances (deficits), end of year	<u>\$ 5,843</u>	<u>\$ 781</u>	<u>\$ 6,416</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, 2009**

	Institute	Olympiad Fund	Trustee
Revenues:			
Local sources	\$ 16,803	\$ 12,400	\$ -
State sources	-	-	-
Federal sources	-	-	-
Interest	-	-	-
Total revenues	16,803	12,400	-
Expenditures:			
Salaries and benefits	-	-	-
Purchased services	12,292	8,887	70
Supplies and materials	6,996	3,024	39
Other objects	6,903	-	-
Total expenditures	26,191	11,911	109
Excess (deficiency) of revenues over (under) expenditures	(9,388)	489	(109)
Other financing sources:			
Transfers in	-	-	-
Net change in fund balances	(9,388)	489	(109)
Fund balances (deficits), beginning of year	26,377	8,266	159
Fund balances (deficits), end of year	\$ 16,989	\$ 8,755	\$ 50

**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, 2009**

	Supervisory	Student Social Services	Truancy
Revenues:			
Local sources	\$ -	\$ 17,623	\$ -
State sources	4,000	-	-
Federal sources	-	-	-
Interest	-	-	-
	4,000	17,623	-
Expenditures:			
Salaries and benefits	-	13,776	-
Purchased services	4,000	1,768	365
Supplies and materials	-	402	-
Other objects	-	-	-
	4,000	15,946	365
Excess (deficiency) of revenues over (under) expenditures	-	1,677	(365)
Other financing sources:			
Transfers in	-	2,719	13
	-	4,396	(352)
Net change in fund balances	-	4,396	(352)
Fund balances (deficits), beginning of year	-	(4,396)	352
Fund balances (deficits), end of year	\$ -	\$ -	\$ -

**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, 2009**

	Alternative Schools	Teen Parent Services	Totals
Revenues:			
Local sources	\$ -	\$ -	\$ 68,679
State sources	72,301	18,643	113,639
Federal sources	-	1,000	1,000
Interest	58	-	58
	72,359	19,643	183,376
Expenditures:			
Salaries and benefits	55,962	9,563	106,123
Purchased services	25,836	11,200	74,110
Supplies and materials	10,093	47	22,926
Other objects	-	-	6,903
	91,891	20,810	210,062
Excess (deficiency) of revenues over (under) expenditures	(19,532)	(1,167)	(26,686)
Other financing sources:			
Transfers in	-	-	2,732
	(19,532)	(1,167)	(23,954)
Net change in fund balances	(19,532)	(1,167)	(23,954)
Fund balances (deficits), beginning of year	21,789	-	63,878
Fund balances (deficits), end of year	\$ 2,257	\$ (1,167)	\$ 39,924

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

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2009**

	<u>Distributive Fund</u>	<u>Central Illinois Rural Region Career & Technical Education System</u>	<u>Totals</u>
ASSETS			
Cash	<u>\$ -</u>	<u>\$ 55</u>	<u>\$ 55</u>
LIABILITIES			
Due to other governments	<u>\$ -</u>	<u>\$ 55</u>	<u>\$ 55</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, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
<u>DISTRIBUTIVE</u>				
ASSETS				
Cash	\$ -	\$ 1,219,222	\$ 1,219,222	\$ -
LIABILITIES				
Due to other funds	\$ -	\$ 698,507	\$ 698,507	\$ -
Due to other governments	-	520,715	520,715	-
Total liabilities	\$ -	\$ 1,219,222	\$ 1,219,222	\$ -

CENTRAL ILLINOIS RURAL REGION CAREER & TECHNICAL EDUCATION SYSTEM

ASSETS				
Cash	\$ 4,638	\$ 520,732	\$ 525,315	\$ 55
LIABILITIES				
Due to other governments	\$ 4,638	\$ 520,732	\$ 525,315	\$ 55

**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, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$ 4,638	\$ 1,739,954	\$ 1,744,537	\$ 55
LIABILITIES				
Due to other funds	\$ -	\$ 698,507	\$ 698,507	\$ -
Due to other governments	4,638	1,041,447	1,046,030	55
Total liabilities	\$ 4,638	\$ 1,739,954	\$ 1,744,537	\$ 55

**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, 2009**

	Central Illinois Rural Region Career & Technical Education System	ROE #40	Total
General State Aid	\$ -	\$ 175,877	\$ 175,877
Reorganization Incentive-Feasibility Study	-	13,000	13,000
Career & Technical Ed Improvement	376,751	-	376,751
Voc. Ed. - Agriculture Education	23,619	-	23,619
State Free Lunch and Breakfast	-	134	134
ROE School Bus Driver Training	-	873	873
Truants Alternative/Opt. Education	-	90,640	90,640
Regional Safe Schools	-	120,000	120,000
ROE/ISC Operations	-	57,555	57,555
Supervisory	-	4,000	4,000
Beginning Teacher Induction & Mentoring	-	165,428	165,428
Federal Breakfast & Lunch	-	3,583	3,583
Title IV - Safe & Drug Free Schools - Formula	-	54	54
Voc. Ed. - Perkins - Title IIC - Secondary	120,345	-	120,345
ARRA-General State Aid	-	51,994	51,994
Title II - Teacher Quality	-	439	439
Math/Science Partnership	-	4,009	4,009
English Language Learners Professional Development	-	10,921	10,921
TOTAL	\$ 520,715	\$ 698,507	\$ 1,219,222