

**State of Illinois  
REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
FINANCIAL AUDIT  
For the Year Ended June 30, 2010**

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

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
For the Year Ended June 30, 2010**

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**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
For the Year Ended June 30, 2010**

**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:

826 N. Broad Street  
Carlinville, IL 62626

303 Exchange Street  
Jerseyville, IL 62052

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
For the Year Ended June 30, 2010**

**FINANCIAL REPORT SUMMARY**

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

**AUDITORS' REPORTS**

The auditors' reports do not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF AUDIT FINDINGS**

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	1	2
Repeated audit findings	1	1
Prior recommendations implemented or not repeated	1	0

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

**SUMMARY OF FINDINGS AND RESPONSES**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
10-01	10a-10b	Controls Over Financial Statement Preparation	Material Weakness

FINDINGS AND RESPONSES (FEDERAL COMPLIANCE)

None

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

09-02		Inadequate Internal Control Procedures	Material Weakness
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FINDINGS AND RESPONSES (FEDERAL COMPLIANCE)

None

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
For the Year Ended June 30, 2010**

**EXIT CONFERENCE**

An informal exit conference was held with Agency personnel on December 3, 2010 to review the findings and recommendations appearing in this report. Attending were Larry Pfeiffer, Regional Superintendent, Terry Strauch, Assistant Regional Superintendent, Marilyn Rogers, Bookkeeper, Debbie Trocheck, Bookkeeper, and Kimberly Walker, CPA, Partner, Kemper CPA Group, LLP. Responses to the recommendations were provided by Larry Pfeiffer, Regional Superintendent, as of that date.

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
For the Year Ended June 30, 2010**

**FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Regional Office of Education #40 was performed by Kemper CPA Group LLP, Certified Public Accountants and Consultants.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #40's basic financial statements.

**INDEPENDENT AUDITOR'S REPORT**

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #40, as of and for the year ended June 30, 2010, which collectively comprise the Regional Office of Education #40's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the 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 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 Regional Office of Education #40, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 09, 2011 on our consideration of the 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 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 13a-13f and 48 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Office of Education #40's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules 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 and budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Kemper CPA Group LLP*

KEMPER CPA GROUP LLP

*Certified Public Accountants and Consultants*

Marion, Illinois

August 09, 2011

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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #40, as of and for the year ended June 30, 2010, which collectively comprise the Regional Office of Education #40's basic financial statements and have issued our report thereon dated August 09, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 Regional Office of Education #40 in a separate letter dated August 09, 2011.

Regional Office of Education #40's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit the Regional Office of Education #40's response and, accordingly, we express no opinion on it.

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

*Kemper CPA Group LLP*

KEMPER CPA GROUP LLP  
*Certified Public Accountants and Consultants*

Marion, Illinois  
August 09, 2011

## **SCHEDULE OF FINDINGS AND RESPONSES**

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended June 30, 2010**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?   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

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended June 30, 2010**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Finding No.: 10-01 – Controls Over Financial Statement Preparation (Repeat from Findings 09-01, 08-01, and 07-04)**

**Criteria/specific requirement:**

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

**Condition:**

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

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenue. While the Regional Office did maintain records to indicate the balances of some accounts payable, accounts receivable, and deferred revenue, the Regional Office's financial information required several adjusting entries to present the financial statements in accordance with generally accepted accounting principles.
- Accrued payroll of approximately \$35,000 had been recorded as an expenditure twice.
- Purchased services totaling \$7,905 and supplies of \$70 had been incorrectly coded to capital outlay.
- Reimbursement of costs by other funds or entities was reported as revenue and expense rather than being netted against the related expenses.
- State grant revenue from entities, other than the Illinois State Board of Education, was often classified in a local source revenue account. Specifically, the Family Violence Fund and the Teen Parent Services Fund received funding from State sources which was recorded as local 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.

**Cause:**

According to Regional Office officials, they do not have adequate funding to hire a certified public accountant or other financial professionals for their full-time staff.

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended June 30, 2010**

**SECTION II - FINANCIAL STATEMENT FINDINGS (CONCLUDED)**

**Finding No.: 10-01 – Controls Over Financial Statement Preparation (Repeat from Findings 09-01, 08-01, and 07-04) (Concluded)**

**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:**

A financial consultant from Macoupin County is going to assist the Regional Office during FY2011 to help address this finding.

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2010**

**CORRECTIVE ACTION PLAN**

**Finding No.: 10-01 – Controls Over Financial Statement Preparation**

**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:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenue. While the Regional Office did maintain records to indicate the balances of some accounts payable, accounts receivable, and deferred revenue, the Regional Office's financial information required several adjusting entries to present the financial statements in accordance with generally accepted accounting principles.
- Accrued payroll of approximately \$35,000 had been recorded as an expenditure twice.
- Purchased services totaling \$7,905 and supplies of \$70 had been incorrectly coded to capital outlay.
- Reimbursements of costs by other funds or entities were reported as revenue and expense rather than netted against the related expenses.
- State grant revenue from entities, other than the Illinois State Board of Education, was often classified in a local source revenue account. Specifically, the Family Violence Fund and the Teen Parent Services Fund received funding from State sources which was recorded as local revenue.

**Plan:**

The Regional Office will be assisted by a financial consultant from Macoupin County during FY2011 who will review the financial statements and assist the Regional Office with its yearend closing entries. The Regional Office believes this action will help address this finding during FY2011.

**Anticipated Date of Completion:**

Prior to the FY2011 audit.

**Name of Contact Person:**

Mr. Larry Pfeiffer, Regional Superintendent

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended June 30, 2010**

<b><u>Finding Number</u></b>	<b><u>Condition</u></b>	<b><u>Current Status</u></b>
09-01	Controls Over Financial Statement Preparation	Repeated as Finding 10-01
09-02	Inadequate Internal Control Procedures	Not Repeated

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2010**

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, 2010. Readers are encouraged to consider the information in conjunction with the Regional Office of Education #40's financial statements which follow.

**2010 FINANCIAL HIGHLIGHTS**

- Within the Governmental Funds, the General Fund revenues increased by \$5,339 from \$587,507 in FY09 to \$592,846 in FY10. General Fund expenditures increased by \$16,585 from \$579,387 in FY09 to \$595,972 in FY10.
- Within the Governmental Funds, the Special Revenue Fund revenue decreased by \$183,181 from \$1,074,977 in FY09 to \$891,796. The Special Revenue Fund expenditures decreased by \$170,294 from \$1,104,972 in FY09 to \$934,678 in FY10.

**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 nonfinancial factors, such as new laws, rules, regulations, and actions by officials at the State level, need to be considered.

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2010**

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 governmental funds' required 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.

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2010**

**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 FY10 totaled approximately \$279,673. At the end of FY09, the net assets were approximately \$259,523. The analysis that follows provides a summary of the Office's net assets at June 30, 2010 and 2009.

CONDENSED STATEMENT OF NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current Assets	\$ 499,618	\$ 291,948	\$ 3,535	\$ 1,489	\$ 503,153	\$ 293,437
Capital Assets, net	48,421	74,057	3,267	-	51,688	74,057
<b>TOTAL ASSETS</b>	<b>548,039</b>	<b>366,005</b>	<b>6,802</b>	<b>1,489</b>	<b>554,841</b>	<b>367,494</b>
Current Liabilities	270,631	101,895	483	-	271,114	101,895
Noncurrent Liabilities	4,054	6,076	-	-	4,054	6,076
<b>TOTAL LIABILITIES</b>	<b>274,685</b>	<b>107,971</b>	<b>483</b>	<b>-</b>	<b>275,168</b>	<b>107,971</b>
Net Assets:						
Invested in Capital Assets, net of related debt, restated	42,345	66,082	3,267	-	45,612	66,082
Restricted for Teacher Professional Development	29,094	16,989	-	-	29,094	16,989
Unrestricted	201,915	174,963	3,052	1,489	204,967	176,452
<b>TOTAL NET ASSETS</b>	<b>\$ 273,354</b>	<b>\$ 258,034</b>	<b>\$ 6,319</b>	<b>\$ 1,489</b>	<b>\$ 279,673</b>	<b>\$ 259,523</b>

Net assets of the Regional Office of Education #40 increased by \$20,150 from FY09.

Governmental activities increased the net assets of the Regional Office of Education #40 by \$15,320.

Business-type activities increased the net assets of the Regional Office of Education #40 by \$4,830.

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

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2010**

CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ -	\$ -	\$ 61,558	\$ 77,459	\$ 61,558	\$ 77,459
Operating grants & contributions	761,893	1,090,393	-	-	761,893	1,090,393
<b>General revenues:</b>						
Local sources	275,875	301,902	-	-	275,875	301,902
State sources	184,150	-	-	-	184,150	-
On-behalf payments - State	347,782	277,821	-	-	347,782	277,821
Interest	7	108	-	-	7	108
<b>TOTAL REVENUES</b>	<b>1,569,707</b>	<b>1,670,224</b>	<b>61,558</b>	<b>77,459</b>	<b>1,631,265</b>	<b>1,747,683</b>
<b>Expenses:</b>						
<b>Program expenses:</b>						
<b>Instructional services:</b>						
Salaries and benefits	760,115	882,421	-	-	760,115	882,421
Purchased services	269,182	434,906	-	-	269,182	434,906
Supplies and materials	76,947	74,154	-	-	76,947	74,154
Payments to other governments	67,514	-	-	-	67,514	-
Other objects	6,413	8,617	-	-	6,413	8,617
Interest expense	-	597	-	-	-	597
Depreciation	26,434	26,970	-	-	26,434	26,970
<b>Administrative expenses:</b>						
On-behalf payments - State	347,782	277,821	-	-	347,782	277,821
<b>Business-type expenses:</b>						
Instructional	-	-	56,728	72,745	56,728	72,745
<b>TOTAL EXPENSES</b>	<b>1,554,387</b>	<b>1,705,486</b>	<b>56,728</b>	<b>72,745</b>	<b>1,611,115</b>	<b>1,778,231</b>
<b>Changes in Net Assets before Transfers</b>	<b>15,320</b>	<b>(35,262)</b>	<b>4,830</b>	<b>4,714</b>	<b>20,150</b>	<b>(30,548)</b>
<b>Transfers</b>	<b>-</b>	<b>(4,797)</b>	<b>-</b>	<b>4,797</b>	<b>-</b>	<b>-</b>
<b>Changes in Net Assets</b>	<b>15,320</b>	<b>(40,059)</b>	<b>4,830</b>	<b>9,511</b>	<b>20,150</b>	<b>(30,548)</b>
<b>Net Assets, beginning, restated</b>	<b>258,034</b>	<b>298,093</b>	<b>1,489</b>	<b>(8,022)</b>	<b>259,523</b>	<b>290,071</b>
<b>Net Assets, end of year</b>	<b>\$ 273,354</b>	<b>\$ 258,034</b>	<b>\$ 6,319</b>	<b>\$ 1,489</b>	<b>\$ 279,673</b>	<b>\$ 259,523</b>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2010**

**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 Regional Office's governmental funds report combined fund balances of \$138,211 for FY10, compared to \$184,212 for FY09.

**Governmental Fund Highlights:**

- For their fiscal year ended August 31, 2010, Macoupin County continued to support the ROE at 100%. However, they decreased our payment by \$3,945 from the previous year. The FY11 rate will be the same as FY10; however, the Regional Office will have to start paying the insurance premium for its employees.
- Tri-Counties support for their fiscal year ended November 30, 2010:
  - Calhoun County continued to support the ROE at 100% with a .0163% decrease over FY09.
  - Jersey County continued to support the ROE at 100% with a .0309% increase over FY09.
  - Greene County continued to support the ROE at 50% with a .0504% increase totaling \$942 per year over FY09.
  - Greene County still continues to only pay 50% of their budgeted amount of \$18,683.
- Revenues:
  - Local sources decreased \$19,517.
  - State sources decreased \$236,617.
  - Federal sources increased by \$8,439.
  - On-behalf payments from State sources increased \$69,961.

The total governmental fund revenues decreased by \$177,842, and total governmental fund expenditures decreased by \$153,709 for FY10.

The State aid foundation level used to calculate the State aid received in FY10 increased to \$6,119 per student from \$5,959 in the prior year.

**Proprietary Fund Highlights:**

The decrease of revenues in the proprietary fund in FY10 compared to FY09 once again is due to the decrease in the number of workshops presented in FY10. This decrease in workshops also created a decrease in expenses due to using the Regional Office's own presenters and fewer supplies.

**Budgetary Highlights:**

The Regional Office of Education #40 did not adopt annual budgets, nor is it 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.

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2010**

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 FY10, net capital assets decreased by \$22,369. Total capital outlay for FY10 was \$798 for governmental funds and \$3,600 for proprietary funds.

**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, 2010, was \$6,076.

**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 from \$5,959 in the prior year.
- Most grants will decrease for FY11.
- Beginning Teacher Induction and Mentoring Grant will be decreased in FY2011 by \$27,948.
- Due to problems with receiving revenues from the State and programs being cut, the ROE expects significant financial hardship for FY11.
- The ROE will receive a new grant from federal funds in the amount of \$120,000 titled Title 1 ARRA School Improvement and Accountability.

**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**

**REGIONAL OFFICE OF EDUCATION #40**  
**CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES**  
**STATEMENT OF NET ASSETS**  
**June 30, 2010**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 202,290	\$ -	\$ 202,290
Internal balances	(2,793)	2,793	-
Due from other governments	300,121	742	300,863
<b>Total Current Assets</b>	<b>499,618</b>	<b>3,535</b>	<b>503,153</b>
<b>Noncurrent Assets</b>			
Capital assets, being depreciated, net	48,421	3,267	51,688
<b>Total Noncurrent Assets</b>	<b>48,421</b>	<b>3,267</b>	<b>51,688</b>
<b>Total Assets</b>	<b>548,039</b>	<b>6,802</b>	<b>554,841</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	24,524	483	25,007
Accrued wages and benefits	28,542	-	28,542
Due to other governments	160,000	-	160,000
Notes payable, current	2,022	-	2,022
Deferred revenue	55,543	-	55,543
<b>Total current liabilities</b>	<b>270,631</b>	<b>483</b>	<b>271,114</b>
<b>Noncurrent Liabilities</b>			
Note payable, noncurrent	4,054	-	4,054
<b>Total Liabilities</b>	<b>274,685</b>	<b>483</b>	<b>275,168</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	42,345	3,267	45,612
Restricted for teacher professional development	29,094	-	29,094
Unrestricted	201,915	3,052	204,967
<b>TOTAL NET ASSETS</b>	<b>\$ 273,354</b>	<b>\$ 6,319</b>	<b>\$ 279,673</b>

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

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2010**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>							
<b>Primary Government</b>							
Governmental activities							
Instructional services							
Salaries and benefits	\$ 760,115	\$ -	\$ 506,537	\$ -	\$ (253,578)	\$ -	\$ (253,578)
Purchased services	269,182	-	130,074	-	(139,108)	-	(139,108)
Supplies and materials	76,947	-	56,965	-	(19,982)	-	(19,982)
Other	6,413	-	5	-	(6,408)	-	(6,408)
Payments to other governments	67,514	-	67,514	-	-	-	-
Depreciation	26,434	-	-	-	(26,434)	-	(26,434)
Capital outlay	-	-	798	-	798	-	798
Administrative							
On-behalf payments - State	347,782	-	-	-	(347,782)	-	(347,782)
Total Governmental Activities	<u>1,554,387</u>	<u>-</u>	<u>761,893</u>	<u>-</u>	<u>(792,494)</u>	<u>-</u>	<u>(792,494)</u>
Business-type activities							
Instructional	<u>56,728</u>	<u>61,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,830</u>	<u>4,830</u>
Total Business-Type Activities	<u>56,728</u>	<u>61,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,830</u>	<u>4,830</u>
Total Primary Government	<u>\$ 1,611,115</u>	<u>\$ 61,558</u>	<u>\$ 761,893</u>	<u>\$ -</u>	<u>(792,494)</u>	<u>4,830</u>	<u>(787,664)</u>
General revenues							
Local sources					275,875	-	275,875
State sources					184,150	-	184,150
On-behalf payments - State					347,782	-	347,782
Interest					7	-	7
Total General Revenues					<u>807,814</u>	<u>-</u>	<u>807,814</u>
Change in Net Assets					15,320	4,830	20,150
Net Assets - Beginning, Restated					258,034	1,489	259,523
Net Assets - Ending					<u>\$ 273,354</u>	<u>\$ 6,319</u>	<u>\$ 279,673</u>

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

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2010**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Other Non-Major Funds</u>	<u>Eliminations</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Cash and cash equivalents	\$ 25,463	\$ 116,122	\$ 60,705	\$ -	\$ 202,290
Due from other funds	90,958	73,261	10,595	(174,814)	-
Due from other governments	<u>40,529</u>	<u>241,020</u>	<u>18,572</u>	<u>-</u>	<u>300,121</u>
<b>Total Assets</b>	<u>\$ 156,950</u>	<u>\$ 430,403</u>	<u>\$ 89,872</u>	<u>\$ (174,814)</u>	<u>\$ 502,411</u>
<b>Liabilities</b>					
Accounts payable	\$ 1,241	\$ 21,664	\$ 1,619	\$ -	\$ 24,524
Accrued wages and benefits	-	24,022	4,520	-	28,542
Due to other funds	2,774	160,840	13,993	(174,814)	2,793
Due to other governments	30,000	130,000	-	-	160,000
Deferred revenue	<u>20,351</u>	<u>121,315</u>	<u>6,675</u>	<u>-</u>	<u>148,341</u>
<b>Total liabilities</b>	<u>54,366</u>	<u>457,841</u>	<u>26,807</u>	<u>(174,814)</u>	<u>364,200</u>
<b>Fund Balance</b>					
Unreserved, reported in:					
General fund	102,584	-	-	-	102,584
Special revenue funds	<u>-</u>	<u>(27,438)</u>	<u>63,065</u>	<u>-</u>	<u>35,627</u>
<b>Total Fund Balances</b>	<u>102,584</u>	<u>(27,438)</u>	<u>63,065</u>	<u>-</u>	<u>138,211</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 156,950</u>	<u>\$ 430,403</u>	<u>\$ 89,872</u>	<u>\$ (174,814)</u>	<u>\$ 502,411</u>

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

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO  
THE STATEMENT OF NET ASSETS  
June 30, 2010**

Total Fund Balances - Governmental Funds	\$ 138,211
<p>Amounts reported for governmental activities in the  Statement of Net Assets are different because:</p>	
<p>Some revenues will not be collected for several months  after the Regional Office's fiscal yearend, they are not  considered "available" revenues and are deferred in the  governmental funds</p>	92,798
<p>Capital assets used in governmental activities are not  financial resources and therefore, are not reported in  the funds, net of accumulated depreciation of \$263,707</p>	48,421
<p>Long-term liabilities are not due and payable in the  current period and; therefore, are not reported in  the funds.</p>	<u>(6,076)</u>
Net Assets of Governmental Activities	<u><u>\$ 273,354</u></u>

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

**REGIONAL OFFICE OF EDUCATION #40**  
**CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2010**

	General Fund	Education Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
<b>Revenues</b>					
Local sources	\$ 202,932	\$ 7,264	\$ 65,679	\$ -	\$ 275,875
State sources	42,132	537,657	130,209	-	709,998
State sources - payments made on behalf of region	347,782	-	-	-	347,782
Federal sources	-	149,987	1,000	-	150,987
Total Revenues	<u>592,846</u>	<u>694,908</u>	<u>196,888</u>	<u>-</u>	<u>1,484,642</u>
<b>Expenditures</b>					
<b>Instructional Services</b>					
Salaries	134,102	463,314	78,996	-	676,412
Employee benefits	32,242	44,529	6,932	-	83,703
Purchased services	69,263	130,667	69,252	-	269,182
Supplies and materials	10,725	57,225	8,997	-	76,947
Capital outlay	798	-	-	-	798
Other	1,060	5	7,247	-	8,312
Payments to other governments	-	67,514	-	-	67,514
Payments made on behalf of region	347,782	-	-	-	347,782
Total Expenditures	<u>595,972</u>	<u>763,254</u>	<u>171,424</u>	<u>-</u>	<u>1,530,650</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,126)</u>	<u>(68,346)</u>	<u>25,464</u>	<u>-</u>	<u>(46,008)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	17,368	1,168	(18,536)	-
Transfers out	(11,456)	(3,588)	(3,492)	18,536	-
Interest	1	5	1	-	7
Total Other Financing Sources (Uses)	<u>(11,455)</u>	<u>13,785</u>	<u>(2,323)</u>	<u>-</u>	<u>7</u>
Net Change in Fund Balance	(14,581)	(54,561)	23,141	-	(46,001)
Fund Balances - Beginning	<u>117,165</u>	<u>27,123</u>	<u>39,924</u>	<u>-</u>	<u>184,212</u>
Fund Balances - Ending	<u>\$ 102,584</u>	<u>\$ (27,438)</u>	<u>\$ 63,065</u>	<u>\$ -</u>	<u>\$ 138,211</u>

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

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2010**

Net Change in Fund Balance - Total Governmental Funds \$ (46,001)

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

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Amount recognized in FY09 Statement of Activities but not in the governmental fund statements	(7,740)
Amount recognized in FY10 Statement of Activities but not in the governmental fund statements	92,798

Governmental funds report capital outlays as expenditures and proceeds from disposals as revenue. However, in the Statement of Activities the cost of those assets, which meet capitalization requirements, is allocated over their estimated useful lives and reported as depreciation expense and gains and losses are reported on disposals.

Capital outlay	\$ 798	
Depreciation expense	<u>(26,434)</u>	(25,636)

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.

	<u>1,899</u>
Change in Net Assets of Governmental Activities	<u>\$ 15,320</u>

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

**REGIONAL OFFICE OF EDUCATION #40**  
**CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**June 30, 2010**

	Business-Type Activities		
	Enterprise Funds		
	Administrators' Academy	Workshops	Total
<b>Assets</b>			
<b>Current Assets</b>			
Due from other funds	\$ 649	\$ 2,144	\$ 2,793
Due from other governments	742	-	742
<b>Total Current Assets</b>	<u>1,391</u>	<u>2,144</u>	<u>3,535</u>
<b>Noncurrent Assets</b>			
Capital assets, net of accumulated depreciation	-	3,267	3,267
<b>Total Noncurrent Assets</b>	<u>-</u>	<u>3,267</u>	<u>3,267</u>
<b>TOTAL ASSETS</b>	<u>1,391</u>	<u>5,411</u>	<u>6,802</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	-	483	483
<b>Total current liabilities</b>	<u>-</u>	<u>483</u>	<u>483</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	-	3,267	3,267
Unrestricted	1,391	1,661	3,052
<b>TOTAL NET ASSETS</b>	<u>\$ 1,391</u>	<u>\$ 4,928</u>	<u>\$ 6,319</u>

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

**REGIONAL OFFICE OF EDUCATION #40**  
**CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2010**

	Business-Type Activities		
	Enterprise Funds		
	Administrators' Academy	Workshops	Total
Operating Revenues			
Charge for Services	\$ 5,276	\$ 56,282	\$ 61,558
Total Operating Revenues	<u>5,276</u>	<u>56,282</u>	<u>61,558</u>
Operating Expenses			
Salaries	1,200	2,351	3,551
Employee Benefits	17	49	66
Purchased services	3,388	34,179	37,567
Supplies and materials	289	14,922	15,211
Depreciation	-	333	333
Total Operating Expenses	<u>4,894</u>	<u>51,834</u>	<u>56,728</u>
Operating Income (Loss)	382	4,448	4,830
Net Assets - Beginning	<u>1,009</u>	<u>480</u>	<u>1,489</u>
Net Assets - Ending	<u>\$ 1,391</u>	<u>\$ 4,928</u>	<u>\$ 6,319</u>

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

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2010**

	Business-Type Activities		
	Enterprise Funds		
	Administrators' Academy	Workshops	Total
Cash flows from operating activities:			
Receipts from customers	\$ 7,585	\$ 56,762	\$ 64,347
Payments to suppliers and providers for goods and services	(3,677)	(48,618)	(52,295)
Payments to employees	(1,217)	(2,400)	(3,617)
Net cash provided by (used for) operating activities	<u>2,691</u>	<u>5,744</u>	<u>8,435</u>
Cash flows from noncapital financing activities:			
Interfund loans made	(649)	(2,144)	(2,793)
Repayment of interfund loan	(2,042)	-	(2,042)
Net cash provided by (used for ) noncapital financing activities	<u>(2,691)</u>	<u>(2,144)</u>	<u>(4,835)</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	-	(3,600)	(3,600)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(3,600)</u>	<u>(3,600)</u>
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents - beginning of year	-	-	-
Cash and cash equivalents - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 382	\$ 4,448	\$ 4,830
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	-	333	333
Change in assets and liabilities:			
Decrease in accounts receivable	-	480	480
Decrease in due from other governments	2,309	-	2,309
Increase in accounts payable	-	483	483
Net cash provided by (used for) operating activities	<u>\$ 2,691</u>	<u>\$ 5,744</u>	<u>\$ 8,435</u>

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

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
June 30, 2010**

	<u>Agency Fund</u>
Assets	
Cash and cash equivalents	\$ 3,055
Total Assets	<u>\$ 3,055</u>
Liabilities	
Due to other governments	<u>\$ 3,055</u>
Total Liabilities	<u>\$ 3,055</u>

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

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Regional Office of Education #40 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

This summary of significant accounting policies of the Regional Office of Education #40 is presented to assist in understanding the Regional Office of Education #40's financial statements. The financial statements and notes are representations of the Regional Office of Education #40's management who is responsible for the integrity and objectivity of the financial statements. The Illinois Administrative Code, Title 23 - Subtitle A, Chapter 1, Section 110.115a, requires each Regional Office of Education to prepare annual financial statements in conformity with accounting principles generally accepted in the United States of America. These principles have been consistently applied in the preparation of the financial statements.

**A. Financial Reporting Entity**

The Regional Superintendent is responsible for supervision and control of school districts within the Regional Office of Education #40. This includes all aspects of supervision, reports and financial accounting of districts which are considered by State law to be in the Service Region. In addition, the Regional Superintendent is charged with responsibility for registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teachers' meetings and assist in their management; evaluate the schools in the region; examine evidence of indebtedness; file and keep the returns of elections required to be returned to the Regional Superintendent's office; and file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #40's districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

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

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the Regional Office of Education #40, or see that no payments are made unless the treasurer has filed or renewed appropriate bonds and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Financial Reporting Entity (Concluded)**

For the period ended June 30, 2010, the Regional Office of Education #40 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #40. Such activities are reported as a single major fund (Education Fund).

**B. Scope of Reporting Entity**

The Regional Office of Education #40's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #40 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Regional Office of Education #40, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education #40 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #40 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #40 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #40 being considered a component unit of the entity.

**C. Government-Wide and Fund Financial Statements**

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #40's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues.

The Regional Office of Education #40's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental and business-type activities for the Regional Office of Education #40. These statements are presented on an "economic resources" measurement as prescribed by GASB Statement No. 34. All of the Regional Office of Education #40's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Government-Wide and Fund Financial Statements (Concluded)**

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 proprietary funds are reported as separate columns in the fund financial statements.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and proprietary fund Statement of Net Assets and as other sources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Assets. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements.

**D. Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and nonmajor funds aggregated.

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

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

**E. Governmental Fund Financial Statements**

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

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Governmental Fund Financial Statements (Concluded)**

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

**F. Measurement Focus and Basis of Accounting**

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

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

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #40; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

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

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

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

F. Measurement Focus and Basis of Accounting (Concluded)

Under the terms of grant agreements, Regional Office of Education #40 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is Regional Office of Education #40's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

G. Fund Accounting

The Regional Office of Education #40 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education #40 uses governmental, proprietary, and fiduciary funds.

*Governmental Funds*

Governmental funds are those through which most governmental functions of the Regional Office of Education #40 are typically reported. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as a fund balance.

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education #40 has presented all major funds that met the above qualifications.

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 expenditures 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.

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

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CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Fund Accounting (Continued)**

*Governmental Funds (Continued)*

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

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

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

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

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.

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

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

Education – This fund is used to account for various grant and educational enhancement programs including the following:

Adult Education - This fund accounts for monies received from the Illinois Community College Board (ICCB) for academic and vocational adult education programs including the following:

Federal Basic – This fund accounts for federal monies received from the ICCB which provide for adult basic education (GED) services for adult education clients.

Public Assistance – This fund accounts for State monies received from the ICCB for vocational training for adult education clients including computer and certified nurse assistant classes.

State Basic – This fund accounts for State monies received from the ICCB for vocational training and can be used the same as Public Assistance funds.

State Performance – This fund accounts for State monies received from the ICCB that can be used for any purpose that supports the adult education program.

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CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

G. Fund Accounting (Continued)

*Governmental Funds (Continued)*

Beginning Teacher Induction and Mentoring – The purpose of this grant is to develop an induction and mentoring program that will service the needs of the ROE’s fifteen school districts.

English Language Learning Title III – The purpose of the grant is to provide schools with knowledge and support for the required services for limited English proficient students. These services include student screening and professional development for educational staff.

Federal Stimulus State Aid and State Aid-Govt for Adult Education – Under the Federal American Recovery and Reinvestment Act, 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 the GED certificates, and to meet the general expenses of the Adult Education Center. All funding is subject to stringent accountability and reporting requirements.

Federal Stimulus State Aid and State Aid-Govt for Safe Schools – Under the Federal American Recovery and Reinvestment Act, 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 and academic failure in lieu of suspension or expulsion from their local school district, and to meet the federal expenses of the Safe School Program. All funding is subject to stringent accountability and reporting requirements.

Gifted Education – The purpose of this grant is to provide services, including professional development to teachers, to gifted students.

Illinois New Principal Mentoring – The purpose of this program is 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.

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 (10-4932-00) and Title IV – Safe and Drug Free Schools (10-4400-00).

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.

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
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For the Year Ended June 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

G. Fund Accounting (Continued)

*Governmental Funds (Continued)*

Preschool Monitoring – The purpose of this grant is to provide consultants to determine the compliance of preschools.

Reading First Program – This program provides comprehensive reading program training to teachers in order to facilitate student achievement in reading.

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.

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.

Teacher and Administrators Mentoring Program – The purpose of this program is to develop a mentoring program that will service the needs of the ROE's teachers and administrators in its fifteen school districts.

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

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

Alternative Schools Fund – 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.

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

General Education Development Fund – 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.

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.

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CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Fund Accounting (Continued)**

*Governmental Funds (Concluded)*

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.

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

Student Social Services Fund – 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).

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

Teen Parent Services Fund – 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.

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

*Proprietary Funds*

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

Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs 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:

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.

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

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

G. Fund Accounting (Concluded)

*Fiduciary Funds*

Agency Funds – Agency Funds are used to account for assets held by the Regional Office of Education #40 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds include the following:

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.

H. Net Assets

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

Invested in capital assets - Consists of capital assets, net of accumulated depreciation.

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

Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or invested in capital assets."

I. Cash and Cash Equivalents

Cash and cash equivalents consists of cash on deposit. The Regional Office of Education #40 considers all liquid investments, including certificates of deposit, to be cash equivalents.

J. Capital Assets

Capital assets purchased or acquired with an original cost of \$500 or more are recorded at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Equipment and Furniture	3-10 years
Building Improvements	10-15 years

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)**

**K. Interfund Receivables and Payables**

The recordings of due from and due to other funds are a result of various borrowings between funds during the year.

**L. 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.

**M. Budget Information**

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: Adult Education – Federal Basic, Adult Education – Public Assistance, Adult Education – State Basic, Adult Education – State Performance, Beginning Teacher Induction and Mentoring, English Language Learning Title III, Gifted Education, Title II – Teacher Quality Mini-Grants, Title IV – Safe and Drug Free Schools – Formula Mini-Grants, Preschool Monitoring, Reading First Program, Regional Safe Schools, Regional System of Support Provider, ROE/ISC Operations, Teacher and Administrators Mentoring Program, and Truants Alternative/Optional Education.

**N. 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 pay is considered an expenditure in the year it is paid. All vacation has to be used before fiscal year end, so no accrual is required.

Employees receive one sick day for each month of employment and the unused portion is accumulated and carried forward. Upon termination, employees are not compensated for any unused sick days; therefore, no accruals or reserves have been established.

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 2: CASH AND CASH EQUIVALENTS**

At June 30, 2010, the carrying amount of the Regional Office of Education #40's government-wide and fiduciary fund deposits were \$202,290 and \$3,055 respectively, and the bank balances were \$206,746 and \$121,346, respectively. At June 30, 2010, all of the Regional Office of Education #40's cash deposits were insured by the Federal Deposit Insurance Corporation.

*Custodial Credit Risk*

Custodial credit risk is the risk that in the event of a bank failure, the Regional Office of Education's deposits may not be returned to it. The Regional Office of Education #40 does not have a deposit policy for custodial credit risk but follows the Public Funds Investment Act (30 ILCS 235/2 and 6), and Section 8-7 of the School Code.

*Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The Regional Office of Education #40 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk*

The Regional Office of Education #40 is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2 and 6), and Section 8-7 of the School Code. The Regional Office of Education #40 has no investment policy that would further limit its investment choices. As of June 30, 2010 the Regional Office of Education #40 was in compliance with these guidelines.

**NOTE 3: DEFINED BENEFIT PENSION PLAN**

**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](http://www.imrf.org).

**Funding Policy.** As set by statute, the Regional Office of Education #40's Regular plan members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 12.61% 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.

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CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 3: DEFINED BENEFIT PENSION PLAN (CONCLUDED)**

**Annual Pension Cost.** For December 31, 2009, the Regional Office of Education #40's annual pension cost of \$30,182 for the Regular plan was equal to the Regional Office of Education #40's required and actual contributions.

**THREE YEAR TREND INFORMATION**

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	\$ 30,182	100%	\$ 0
12/31/08	32,175	100%	0
12/31/07	25,552	100%	0

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included a) 7.5% investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Regional Office of Education #40's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 5 years.

**Funded Status and Funding Progress.** As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 85.00% funded. The actuarial accrued liability for benefits was \$581,690 and the actuarial value of assets was \$494,425, resulting in an underfunded actuarial accrued liability (UAAL) of \$87,265. The covered payroll (annual payroll of active employees covered by the plan) was \$239,347 and the ratio of the UAAL to the covered payroll was 36%. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 10 year basis.

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

**NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

The Regional Office of Education #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.

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (CONTINUED)**

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

TRS members include all active 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, 2010, was 9.4% 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% for the years ended June 30, 2009 and 2008.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #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, 2010, the State of Illinois contributions were based on 23.38% of creditable earnings not paid from federal funds, and the Regional Office of Education #40 recognized revenue and expenditures of \$123,707 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2009 and June 30, 2008, the State of Illinois contribution rates as percentages of creditable earnings were 17.08% (\$58,144) and 13.11% (\$51,727), respectively.

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

- **2.2 formula contributions.** Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ending June 30, 2010 were \$2,006. Contributions for the years ending June 30, 2009, and June 30, 2008, were \$2,287 and \$2,289, 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, 2010, the employer pension contribution was 23.38% of salaries paid from federal and special trust funds. For the years ended June 30, 2009 and 2008, the employer contribution was 17.08 and 13.11 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2010, salaries totaling \$62,332 were paid from federal and special trust funds that required employer contributions of \$14,573. For the years ended June 30, 2009 and June 30, 2008, required Regional Office of Education #40 contributions were \$9,202 and \$6,087, respectively.

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (CONCLUDED)**

- **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.

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

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

For the three years ended June 30, 2010, 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% 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%.

For the three years ended June 30, 2010, the Regional Office of Education #40 paid no contributions to TRS for employer contributions due on salary increases in excess of 6%.

- If the Regional Office of Education #40 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, Regional Office of Education #40 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.55% of salary during the year ended June 30, 2010). For the three years ended June 30, 2010, the Regional Office of Education #40 paid no TRS contributions 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, 2009. The report for the year ended June 30, 2010, is expected to be available in late 2010. The reports may be obtained by writing to the Teacher's Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at [trs.illinois.gov](http://trs.illinois.gov).

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 5: OTHER POSTEMPLOYEMENT BENEFITS**

**A. Teacher Health Insurance Security Fund**

The Regional Office of Education #40 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

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

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

**On-behalf contributions to THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #40. State contributions are intended to match contributions to the THIS Fund from active members which were 0.84% of pay during the year ended June 30, 2010. State of Illinois contributions were \$2,905 and the Regional Office of Education #40 recognized revenue and expenditures of this amount during the year.

Had the Regional Office of Education #40 recognized revenue and expenditures for State contributions intended to match active member contributions during the years ended June 30, 2009 and June 30, 2008, under the current standards, the contribution match would have been 0.84% of pay or \$3,312 and \$3,315, respectively.

**Employer contributions to THIS Fund.** The Regional Office of Education #40 also makes contributions to THIS Fund. The Regional Office of Education #40's contribution was 0.63% during the years ended June 30, 2010, June 30, 2009, and June 30, 2008. For the year ended June 30, 2010, the Regional Office of Education #40 paid \$2,179 to the THIS Fund. For the years ended June 30, 2009 and 2008, the Regional Office of Education #40 paid \$2,484 and \$2,486 to the THIS Fund, respectively.

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

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 5: OTHER POSTEMPLOYMENT BENEFITS (CONCLUDED)**

**B. Egyptian Area Schools Employee Benefit Trust**

**Plan Description.** The Regional Office of Education #40 contributes to the Egyptian Area Schools Employee Benefit Trust (the “Trust”), a cost-sharing multiple-employer defined benefit health care plan administered by the Board of Managers of the Trust. The Trust provides medical benefits to active and retired employees of approximately 160 participating employers. The Trust issues a publicly available financial report that includes financial statements and required supplementary information for the Trust. A copy of the report may be obtained by writing to the Egyptian Area Schools Employee Benefit Trust, c/o Meritain Health, 13 Executive Drive, Suite 19, Fairview Heights, IL 62208, or by calling Meritain Health at (866) 588-2431, Option 3 x 6105. The report is also posted on the Trust’s website at [www.egtrust.org](http://www.egtrust.org).

**Funding Policy.** The Trust Agreement establishing the Trust provides that contribution rates are established and may be modified by the Board of Managers of the Trust. Contribution rates are normally adjusted as of September 1 each year. As of June 30, 2010, participating employers were contractually required to contribute at the following rates for active and retired employees and dependents.

	Platinum Plan	Gold Plan	Silver Plan	Bronze Plan
Employee (Retiree)	\$456	\$411	\$355	\$302
Employee + spouse	\$941	\$848	\$736	\$623
Employee + child(ren)	\$909	\$819	\$711	\$612
Family	\$1,014	\$912	\$792	\$672

Participating employers may require employees and/or retirees to pay some or all of the required contributions to the employers, but the employer has the legal obligation to pay contributions to the Trust. The Regional Office of Education #40 requires retirees to pay 100% of the contribution for the coverage for retirees and their dependents.

The Board of Mangers of the Trust sets the employer contribution rates each year based on an actuarial valuation. The Trust’s actuary has determined that as of June 30, 2009 the Trust had no Unfunded Actuarial Accrued Liability for Other Post Employment Benefits (OPEB) and is not expected to have an Unfunded Actuarial Accrued Liability as of June 30, 2010. The actuary has further determined that current contribution rates exceed the Annual Required Contribution (ARC) determined in accordance with the parameters of GASB Statement 45. The Regional Office of Education #40’s contributions to the Trust for the years ending June 30, 2010, June 30, 2009 and June 30, 2008, were \$27,408, \$31,693 and \$27,145, respectively, which equaled the contractually required contributions each year.

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 6: INTERFUND RECEIVABLES AND PAYABLES**

Interfund due to / from other fund balances/net assets at June 30, 2010 consist of the following individual due to / from other funds in the governmental funds Balance Sheet and the proprietary funds Statement of Net Assets. Balances of the same fund type were eliminated in the government-wide Statement of Net Assets.

Fund	Due From Other Funds	Due to Other Funds
<b>General Funds</b>		
Administrative	\$ 15,215	\$ -
Direct Services	26,571	-
Jerseyville Office Account	6,316	-
Macoupin County Monies	-	1,738
Regional Initiative	32,153	-
ROE/ISC Operations	-	241
Testing Center	10,703	-
Virden-Girard Committee of 10	-	795
<b>Special Revenue Funds</b>		
General Education Development Fund	10,595	-
Teen Parent Services Fund	-	13,993
<b>Education Funds</b>		
Adult Education - Public Assistance	-	16,117
Adult Education - State Basic	-	16,175
Adult Education - State Performance	-	5,391
Illinois New Principal Mentoring	-	4,305
Preschool Monitoring	-	22,376
Reading First Program	-	2,137
Regional Safe Schools	73,261	-
Regional System of Support Provider	-	16,384
Teacher & Administrators Mentoring Program	-	17,427
Truants Alternative/Optional Education	-	60,528
<b>Proprietary Funds</b>		
Administrators' Academy	649	-
Workshops	2,144	-
	<u>\$ 177,607</u>	<u>\$ 177,607</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 7: DUE TO/DUE FROM OTHER GOVERNMENTAL UNITS**

The Regional Office of Education #40's General Fund, Education Fund, Special Revenue Funds, Proprietary Fund and Agency Fund, have funds due to and due from various other governmental units which consist of the following:

Due from Other Governments:

General Fund		
Illinois State Board of Education	\$	30,449
Local Governments		10,080
Special Revenue Fund – Education Fund		
Illinois State Board of Education		158,170
Illinois Community College Board		38,111
St. Clair Regional Office of Education		16,335
Regional Office of Education #27		23,154
Illinois Principals Association		5,250
Special Revenue Fund – Other Non-Major Funds		
Local Governments		18,572
Proprietary Fund		
Local Governments		742
<b>Total</b>	<b>\$</b>	<b><u>300,863</u></b>

Due to Other Governments:

General Fund – ROE/ISC Operations		
Macoupin County	\$	30,000
Special Revenue Fund – Education Fund		
Macoupin County		130,000
Fiduciary Fund – Agency Fund		
Other Local Governments		3,055
<b>Total</b>	<b>\$</b>	<b><u>163,055</u></b>

**NOTE 8: CAPITAL ASSETS**

Governmental Activities

Capital asset activity for fiscal year 2010 was as follows:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Governmental Funds				
Total Capital Assets	\$ 314,430	\$ 798	\$ 3,100	\$ 312,128
Less: Accumulated Depreciation	<u>240,373</u>	<u>26,434</u>	<u>3,100</u>	<u>263,707</u>
Governmental Funds				
Investment in Capital Assets, Net	<u>\$ 74,057</u>	<u>\$ (25,636)</u>	<u>\$ -</u>	<u>\$ 48,421</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 8: CAPITAL ASSETS (CONCLUDED)**

Business-Type Activities

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Business-type Activities				
Total Capital Assets	\$ -	\$ 3,600	\$ -	\$ 3,600
Less: Accumulated Depreciation	-	333	-	333
Business-type Activities				
Investment in Capital Assets, Net	<u>\$ -</u>	<u>\$ 3,267</u>	<u>\$ -</u>	<u>\$ 3,267</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense of \$26,434 and \$333 was charged to the governmental activities and business-type activities, respectively, on the government-wide Statement of Activities for the year ended June 30, 2010. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

**NOTE 9: 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 July 1, 2009	Additions	Deletions	Balance June 30, 2010
Governmental Activities:				
Interest Free Loan from Macoupin County	<u>\$ -</u>	<u>\$ 160,000</u>	<u>\$ -</u>	<u>\$ 160,000</u>

**NOTE 10: LONG-TERM DEBT**

**A. Summary of Debt Transactions**

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

	Copy Machine
Balance, July 1, 2009	\$ 7,975
Additions	-
Debt retired	(1,899)
Balance, June 30, 2010	<u>\$ 6,076</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 10: LONG-TERM DEBT (CONCLUDED)**

**B. Future Debt Service Requirements**

*Note Payable*

Copy Machine Note Payable  
Dated: April 25, 2008  
Maturity Date: April 25, 2013  
Interest Rate: 6.25%  
Original Amount: \$10,050  
Monthly Payment: \$195.49  
Secured By: Copy Machine

Year Ending June 30,	Principal	Interest	Total
2011	\$ 2,022	\$ 323	\$ 2,345
2012	2,152	193	2,345
2013	1,902	54	1,956
	<u>\$ 6,076</u>	<u>\$ 570</u>	<u>\$ 6,646</u>

**NOTE 11: COMMITMENTS AND CONTINGENCIES**

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; injuries to employees; and natural disasters. Regional Office of Education #40 has purchased commercial insurance to cover these risks. During the year ended June 30, 2010, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

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.

**NOTE 12: ON-BEHALF PAYMENTS**

The State of Illinois pays the following salaries and benefits on behalf of Regional Office of Education #40:

Regional Superintendent Salary	\$ 96,435
Regional Superintendent Fringe Benefits (Includes State paid insurance)	21,370
Assistant Regional Superintendent Salary	86,791
Assistant Regional Superintendent Fringe Benefits (Includes State paid insurance)	16,574
TRS Pension Contributions	123,707
THIS Fund Contributions	<u>2,905</u>
Total	<u>\$ 347,782</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 12: ON-BEHALF PAYMENTS (CONCLUDED)**

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.

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

**NOTE 13: TRANSFERS**

Interfund transfer in/out to other funds at June 30, 2010 consisted of the following individual transfers in/out to other funds in the fund statements. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities; however, the transfers between the governmental funds and the business-type funds were not eliminated.

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund:		
Administrative	\$ -	\$ 8,735
Jerseyville Office Account	-	793
Regional Initiative	-	1,466
Testing Center	-	462
Special Revenue Fund - Non-Major Funds:		
Alternative Schools Fund	-	3,492
Student Social Services Fund	1	-
Teen Parent Services Fund	1,167	-
Special Revenue Fund - Education Fund:		
Adult Education - Federal Basic	1,466	-
Adult Education - Public Assistance	2,153	-
Beginning Teacher Induction and Mentoring	71	58
Federal Stimulus State Aid for Adult Education	3,702	-
Federal Stimulus State Aid for Safe Schools	-	210
Preschool Monitoring	1,255	-
Regional Safe Schools	-	3,320
Regional System of Support Provider	8,721	-
	<hr/>	<hr/>
Total	<u>\$ 18,536</u>	<u>\$ 18,536</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 14: OPERATING LEASES**

Lease 1: 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. Lease expense for fiscal year 2010 was \$22,860.

Lease 2: During the fiscal year ended June 30, 2008, the Regional Office of Education #40 entered into a lease agreement for the building located at 301 South Jefferson Street, Jerseyville, Illinois. This lease calls for monthly payments of \$2,800 through September 30, 2010. Lease expense for fiscal year 2010 was \$33,600.

Future minimum payments are as follows:

Year Ending June 30,	Amount
2011	\$ 32,400
2012	24,000
2013	25,200
	<b>\$ 81,600</b>

**NOTE 15: DEFICIT FUND BALANCES**

The following individual funds carried the following deficit balances as of June 30, 2010:

Adult Education – Public Assistance	\$	3,813
Adult Education – State Basic	\$	9,519
Macoupin County Monies	\$	2,029
Preschool Monitoring	\$	11,057
ROE/ISC Operations	\$	20,347
Truants Alternative/Optional Education	\$	30,595
Virden-Girard Committee of 10	\$	795
Teacher and Administration Mentoring	\$	17,467

**NOTE 16: RESTATEMENT OF NET ASSETS**

An adjustment of \$2,048 was made to beginning net assets for governmental activities which resulted in a change from \$255,986 to \$258,034. The adjustment was due to errors made in the prior year by the Regional Office of Education #40 in the recording of capital assets on the Statement of Net Assets.

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2010**

**NOTE 17: NEW ACCOUNTING PRONOUNCEMENTS**

In 2010, the Regional Office of Education #40 implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*; GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*; GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. GASB Statement No. 45 is implemented prospectively. The Regional Office of Education #40 implemented these standards during the current year; however, GASB Statements No. 51, 53, and 58 had no impact on the financial statements.

**NOTE 18: SUBSEQUENT EVENTS**

The Regional Office of Education #40 has evaluated subsequent events through August 09, 2011, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Other than Management's Discussion and Analysis)**

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY AND MACOUPIN COUNTIES  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF FUNDING PROGRESS  
For the Year Ended June 30, 2010**

*UNAUDITED*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ( (b-a)/c)
12/31/09	\$494,425	\$581,690	\$87,265	85.00%	\$239,347	36.46%
12/31/08	498,437	531,226	32,789	93.83%	224,531	14.60%
12/31/07	430,419	480,041	49,622	89.66%	248,075	20.00%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$478,108. On a market basis, the funded ratio would be 82.19%.

**OTHER SUPPLEMENTAL INFORMATION**

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
June 30, 2010**

	<u>Administrative</u>	<u>Direct Services</u>	<u>Jerseyville Office Account</u>	<u>Macoupin County Monies</u>	<u>Regional Initiative</u>
<b>Assets</b>					
Cash and cash equivalents	\$ 34	\$ 24,901	\$ 528	\$ -	\$ -
Due from other funds	15,215	26,571	6,316	-	32,153
Due from other governments	<u>175</u>	<u>49</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u>\$ 15,424</u>	<u>\$ 51,521</u>	<u>\$ 6,844</u>	<u>\$ -</u>	<u>\$ 32,153</u>
<b>Liabilities</b>					
Accounts payable	\$ 689	\$ -	\$ -	\$ 291	\$ -
Due to other funds	-	-	-	1,738	-
Due to other governments	-	-	-	-	-
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>689</u>	<u>-</u>	<u>-</u>	<u>2,029</u>	<u>-</u>
<b>Fund Balance</b>					
Unreserved	<u>14,735</u>	<u>51,521</u>	<u>6,844</u>	<u>(2,029)</u>	<u>32,153</u>
<b>Total Fund Balances</b>	<u>14,735</u>	<u>51,521</u>	<u>6,844</u>	<u>(2,029)</u>	<u>32,153</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 15,424</u>	<u>\$ 51,521</u>	<u>\$ 6,844</u>	<u>\$ -</u>	<u>\$ 32,153</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
June 30, 2010**

	<u>ROE/ISC Operations</u>	<u>Testing Center</u>	<u>Virden-Girard Committee of 10</u>	<u>Total</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 25,463
Due from other funds	-	10,703	-	90,958
Due from other governments	<u>30,449</u>	<u>9,856</u>	<u>-</u>	<u>40,529</u>
<b>Total Assets</b>	<u>\$ 30,449</u>	<u>\$ 20,559</u>	<u>\$ -</u>	<u>\$ 156,950</u>
<b>Liabilities</b>				
Accounts payable	\$ 204	\$ 57	\$ -	\$ 1,241
Due to other funds	241	-	795	2,774
Due to other governments	30,000	-	-	30,000
Deferred revenue	<u>20,351</u>	<u>-</u>	<u>-</u>	<u>20,351</u>
<b>Total Liabilities</b>	<u>50,796</u>	<u>57</u>	<u>795</u>	<u>54,366</u>
<b>Fund Balance</b>				
Unreserved	<u>(20,347)</u>	<u>20,502</u>	<u>(795)</u>	<u>102,584</u>
<b>Total Fund Balances</b>	<u>(20,347)</u>	<u>20,502</u>	<u>(795)</u>	<u>102,584</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 30,449</u>	<u>\$ 20,559</u>	<u>\$ -</u>	<u>\$ 156,950</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS  
For the Year Ended June 30, 2010**

	<u>Administrative</u>	<u>Direct Services</u>	<u>Jerseyville Office Account</u>	<u>Macoupin County Monies</u>	<u>Regional Initiative</u>
<b>Revenues</b>					
Local sources	\$ 23,931	\$ 22,233	\$ 56,145	\$ 88,117	\$ -
State sources	-	-	-	-	-
State sources - On Behalf Payments	347,782	-	-	-	-
Total Revenue	<u>371,713</u>	<u>22,233</u>	<u>56,145</u>	<u>88,117</u>	<u>-</u>
<b>Expenditures</b>					
Salaries	125	-	34,776	53,284	-
Employee benefits	10	-	13,919	10,066	-
Purchased services	882	16,582	4,250	29,175	-
Supplies and materials	2,111	-	467	101	1,667
Capital outlay	798	-	-	-	-
Other	-	-	1,060	-	-
Payments made on behalf of region	347,782	-	-	-	-
Total Expenditures	<u>351,708</u>	<u>16,582</u>	<u>54,472</u>	<u>92,626</u>	<u>1,667</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>20,005</u>	<u>5,651</u>	<u>1,673</u>	<u>(4,509)</u>	<u>(1,667)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers out	(8,735)	-	(793)	-	(1,466)
Interest	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(8,735)</u>	<u>-</u>	<u>(793)</u>	<u>-</u>	<u>(1,466)</u>
Net Change in Fund Balance	11,270	5,651	880	(4,509)	(3,133)
Fund Balance - Beginning	<u>3,465</u>	<u>45,870</u>	<u>5,964</u>	<u>2,480</u>	<u>35,286</u>
Fund Balance - Ending	<u>\$ 14,735</u>	<u>\$ 51,521</u>	<u>\$ 6,844</u>	<u>\$ (2,029)</u>	<u>\$ 32,153</u>

**REGIONAL OFFICE OF EDUCATION #40**  
**CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GENERAL FUND ACCOUNTS**  
**For the Year Ended June 30, 2010**

	<u>ROE/ISC Operations</u>	<u>Testing Center</u>	<u>Virden-Girard Committee of 10</u>	<u>Total</u>
<b>Revenues</b>				
Local sources	\$ -	\$ 12,506	\$ -	\$ 202,932
State sources	42,132	-	-	42,132
State sources - On Behalf Payments	-	-	-	347,782
Total Revenue	<u>42,132</u>	<u>12,506</u>	<u>-</u>	<u>592,846</u>
<b>Expenditures</b>				
Salaries	45,917	-	-	134,102
Employee benefits	8,247	-	-	32,242
Purchased services	7,730	9,849	795	69,263
Supplies and materials	588	5,791	-	10,725
Capital outlay	-	-	-	798
Other	-	-	-	1,060
Payments made on behalf of region	-	-	-	347,782
Total Expenditures	<u>62,482</u>	<u>15,640</u>	<u>795</u>	<u>595,972</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(20,350)</u>	<u>(3,134)</u>	<u>(795)</u>	<u>(3,126)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	(462)	-	(11,456)
Interest	1	-	-	1
Total Other Financing Sources (Uses)	<u>1</u>	<u>(462)</u>	<u>-</u>	<u>(11,455)</u>
Net Change in Fund Balance	(20,349)	(3,596)	(795)	(14,581)
Fund Balance - Beginning	<u>2</u>	<u>24,098</u>	<u>-</u>	<u>117,165</u>
Fund Balance - Ending	<u>\$ (20,347)</u>	<u>\$ 20,502</u>	<u>\$ (795)</u>	<u>\$ 102,584</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND ACCOUNTS  
ROE/ISC OPERATIONS  
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 62,483	\$ 62,483	\$ 42,132
Total Revenues	<u>62,483</u>	<u>62,483</u>	<u>42,132</u>
Expenditures			
Salaries	43,550	43,550	45,917
Employee benefits	5,279	7,037	8,247
Purchased services	11,654	9,896	7,730
Supplies and materials	1,000	1,000	588
Capital outlay	1,000	1,000	-
Total Expenditures	<u>62,483</u>	<u>62,483</u>	<u>62,482</u>
Excess (Deficiency) of Revenues Over Expenditures			<u>(20,350)</u>
Other Financing Sources (Uses)			
Interest	-	-	1
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1</u>
Net Change in Fund Balance	-	-	(20,349)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>2</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,347)</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2010**

	Adult Education Programs	Beginning Teacher Induction and Mentoring	English Language Learning Title III	Federal Stimulus State Aid for Adult Education
<b>Assets</b>				
Cash and cash equivalents	\$ 10,488	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-
Due from other governments	38,111	-	-	-
Total Assets	\$ 48,599	\$ -	\$ -	\$ -
<b>Liabilities</b>				
Accounts payable	\$ 420	\$ -	\$ -	\$ -
Accrued wages and benefits	10,490	-	-	-
Due to other funds	37,683	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	13,338	-	-	-
Total Liabilities	61,931	-	-	-
<b>Fund Balance</b>				
Unreserved	(13,332)	-	-	-
Total Fund Balances	(13,332)	-	-	-
Total Liabilities and Fund Balances	\$ 48,599	\$ -	\$ -	\$ -

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2010**

	Federal Stimulus State Aid for Safe Schools	Federal Stimulus State Aid-Govt for Adult Education	Federal Stimulus State Aid-Govt for Safe Schools	Gifted Education	Illinois New Principal Mentoring
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 12,333	\$ -
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	5,250
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,333</b>	<b>\$ 5,250</b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 470	\$ -
Accrued wages and benefits	-	-	-	-	-
Due to other funds	-	-	-	-	4,305
Due to other governments	-	-	-	-	-
Deferred revenue	-	-	-	11,863	945
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,333</b>	<b>5,250</b>
<b>Fund Balance</b>					
Unreserved	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,333</b>	<b>\$ 5,250</b>

**REGIONAL OFFICE OF EDUCATION #40**  
**CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**EDUCATION FUND**  
**June 30, 2010**

	Mini Grants	National School Lunch	Preschool Monitoring	Reading First Program	Regional Safe Schools
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ 3,872	\$ -	\$ -	\$ 85,505
Due from other funds	-	-	-	-	73,261
Due from other governments	-	3	23,154	7,513	72,000
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 3,875</b>	<b>\$ 23,154</b>	<b>\$ 7,513</b>	<b>\$ 230,766</b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 113	\$ 778	\$ 5,376	\$ 13,858
Accrued wages and benefits	-	-	-	-	9,657
Due to other funds	-	-	22,376	2,137	-
Due to other governments	-	-	-	-	130,000
Deferred revenue	-	-	11,057	-	36,000
<b>Total Liabilities</b>	<b>-</b>	<b>113</b>	<b>34,211</b>	<b>7,513</b>	<b>189,515</b>
<b>Fund Balance</b>					
Unreserved	-	3,762	(11,057)	-	41,251
<b>Total Fund Balances</b>	<b>-</b>	<b>3,762</b>	<b>(11,057)</b>	<b>-</b>	<b>41,251</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 3,875</b>	<b>\$ 23,154</b>	<b>\$ 7,513</b>	<b>\$ 230,766</b>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2010**

	Regional System of Support Provider	Teacher and Administrators Mentoring Program	Truants Alternative/ Optional Education	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 49	\$ -	\$ 3,875	\$ 116,122
Due from other funds	-	-	-	73,261
Due from other governments	<u>16,335</u>	<u>17,467</u>	<u>61,187</u>	<u>241,020</u>
<b>Total Assets</b>	<u>\$ 16,384</u>	<u>\$ 17,467</u>	<u>\$ 65,062</u>	<u>\$ 430,403</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 40	\$ 609	\$ 21,664
Accrued wages and benefits	-	-	3,875	24,022
Due to other funds	16,384	17,427	60,528	160,840
Due to other governments	-	-	-	130,000
Deferred revenue	-	17,467	30,645	121,315
<b>Total Liabilities</b>	<u>16,384</u>	<u>34,934</u>	<u>95,657</u>	<u>457,841</u>
<b>Fund Balance</b>				
Unreserved	-	(17,467)	(30,595)	(27,438)
<b>Total Fund Balances</b>	<u>-</u>	<u>(17,467)</u>	<u>(30,595)</u>	<u>(27,438)</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 16,384</u>	<u>\$ 17,467</u>	<u>\$ 65,062</u>	<u>\$ 430,403</u>

**REGIONAL OFFICE OF EDUCATION #40**  
**CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
**For the Year Ended June 30, 2010**

	Adult Education Programs	Beginning Teacher Induction and Mentoring	English Language Learning Title III	Federal Stimulus State Aid for Adult Education
<b>Revenues</b>				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	73,996	102,899	-	-
Federal sources	29,844	-	2,000	12,658
Total Revenues	<u>103,840</u>	<u>102,899</u>	<u>2,000</u>	<u>12,658</u>
<b>Expenditures</b>				
Salaries	99,616	19,282	-	32
Employee benefits	9,786	1,084	-	2
Purchased services	6,854	6,587	-	7,622
Supplies and materials	735	12,547	2,000	5,037
Other	-	-	-	-
Payments to other governments	-	64,250	-	-
Total Expenditures	<u>116,991</u>	<u>103,750</u>	<u>2,000</u>	<u>12,693</u>
Excess (Deficiency) of Revenues Over Expenditures	(13,151)	(851)	-	(35)
<b>Other Financing Sources (Uses)</b>				
Transfers in	3,619	71	-	3,702
Transfers out	-	(58)	-	-
Interest	-	-	-	-
Total Other Financing Sources (Uses)	<u>3,619</u>	<u>13</u>	<u>-</u>	<u>3,702</u>
Net Change in Fund Balance	(9,532)	(838)	-	3,667
Fund Balance - Beginning	<u>(3,800)</u>	<u>838</u>	<u>-</u>	<u>(3,667)</u>
Fund Balance - Ending	<u>\$ (13,332)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #40**  
**CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
**For the Year Ended June 30, 2010**

	Federal Stimulus State Aid for Safe Schools	Federal Stimulus State Aid-Govt for Adult Education	Federal Stimulus State Aid-Govt for Safe Schools	Gifted Education	Illinois New Principal Mentoring
<b>Revenues</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	58,362	6,555
Federal sources	17,973	4,219	5,991	-	-
Total Revenues	<u>17,973</u>	<u>4,219</u>	<u>5,991</u>	<u>58,362</u>	<u>6,555</u>
<b>Expenditures</b>					
Salaries	2,070	1,377	3,196	36,191	3,900
Employee benefits	56	89	173	3,906	57
Purchased services	14,277	1,150	1,165	6,600	109
Supplies and materials	1,581	1,603	1,457	11,667	-
Other	-	-	-	-	-
Payments to other governments	-	-	-	-	-
Total Expenditures	<u>17,984</u>	<u>4,219</u>	<u>5,991</u>	<u>58,364</u>	<u>4,066</u>
Excess (Deficiency) of Revenues Over Expenditures	(11)	-	-	(2)	2,489
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	(210)	-	-	-	-
Interest	-	-	-	2	-
Total Other Financing Sources (Uses)	<u>(210)</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>
Net Change in Fund Balance	(221)	-	-	-	2,489
Fund Balance - Beginning	<u>221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,489)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #40**  
**CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
**For the Year Ended June 30, 2010**

	Mini Grants	National School Lunch	Preschool Monitoring	Reading First Program	Regional Safe Schools
<b>Revenues</b>					
Local sources	\$ -	\$ 1,599	\$ -	\$ -	\$ 5,665
State sources	-	44	14,443	-	210,029
Federal sources	499	1,007	-	17,513	-
Total Revenues	<u>499</u>	<u>2,650</u>	<u>14,443</u>	<u>17,513</u>	<u>215,694</u>
<b>Expenditures</b>					
Salaries	-	-	-	-	149,255
Employee benefits	-	-	-	-	13,219
Purchased services	499	1,913	23,727	13,582	35,879
Supplies and materials	-	-	1,773	3,931	12,925
Other	-	-	-	-	5
Payments to other governments	-	-	-	-	2,764
Total Expenditures	<u>499</u>	<u>1,913</u>	<u>25,500</u>	<u>17,513</u>	<u>214,047</u>
Excess (Deficiency) of Revenues Over Expenditures	-	737	(11,057)	-	1,647
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	1,255	-	-
Transfers out	-	-	-	-	(3,320)
Interest	-	-	-	-	2
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,255</u>	<u>-</u>	<u>(3,318)</u>
Net Change in Fund Balance	-	737	(9,802)	-	(1,671)
Fund Balance - Beginning	<u>-</u>	<u>3,025</u>	<u>(1,255)</u>	<u>-</u>	<u>42,922</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 3,762</u>	<u>\$ (11,057)</u>	<u>\$ -</u>	<u>\$ 41,251</u>

**REGIONAL OFFICE OF EDUCATION #40**  
**CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
**For the Year Ended June 30, 2010**

	Regional System of Support Provider	Teacher and Administrators Mentoring Program	Truants Alternative/ Optional Education	Total
<b>Revenues</b>				
Local sources	\$ -	\$ -	\$ -	\$ 7,264
State sources	-	-	71,329	537,657
Federal sources	58,283	-	-	149,987
Total Revenues	<u>58,283</u>	<u>-</u>	<u>71,329</u>	<u>694,908</u>
<b>Expenditures</b>				
Salaries	41,582	14,750	92,063	463,314
Employee benefits	12,569	242	3,346	44,529
Purchased services	4,132	615	5,956	130,667
Supplies and materials	-	1,360	609	57,225
Other	-	-	-	5
Payments to other governments	-	500	-	67,514
Total Expenditures	<u>58,283</u>	<u>17,467</u>	<u>101,974</u>	<u>763,254</u>
Excess (Deficiency) of Revenues Over Expenditures	-	(17,467)	(30,645)	(68,346)
<b>Other Financing Sources (Uses)</b>				
Transfers in	8,721	-	-	17,368
Transfers out	-	-	-	(3,588)
Interest	-	-	1	5
Total Other Financing Sources (Uses)	<u>8,721</u>	<u>-</u>	<u>1</u>	<u>13,785</u>
Net Change in Fund Balance	8,721	(17,467)	(30,644)	(54,561)
Fund Balance - Beginning	<u>(8,721)</u>	<u>-</u>	<u>49</u>	<u>27,123</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ (17,467)</u>	<u>\$ (30,595)</u>	<u>\$ (27,438)</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
ADULT EDUCATION PROGRAMS  
June 30, 2010**

	<u>Federal Basic</u>	<u>Public Assistance</u>	<u>State Basic</u>	<u>State Performance</u>	<u>Total</u>
<b>Assets</b>					
Cash and cash equivalents	\$ 2,866	\$ 661	\$ 4,135	\$ 2,826	\$ 10,488
Due from other governments	-	16,221	16,332	5,558	38,111
<b>Total Assets</b>	<u>\$ 2,866</u>	<u>\$ 16,882</u>	<u>\$ 20,467</u>	<u>\$ 8,384</u>	<u>\$ 48,599</u>
<b>Liabilities</b>					
Accounts payable	-	\$ 103	\$ 151	\$ 166	\$ 420
Accrued wages and benefits	2,866	662	4,135	2,827	10,490
Due to other funds	-	16,117	16,175	5,391	37,683
Deferred revenue	-	3,813	9,525	-	13,338
<b>Total Liabilities</b>	<u>2,866</u>	<u>20,695</u>	<u>29,986</u>	<u>8,384</u>	<u>61,931</u>
<b>Fund Balance</b>					
Unreserved	-	(3,813)	(9,519)	-	(13,332)
<b>Total Fund Balances</b>	<u>-</u>	<u>(3,813)</u>	<u>(9,519)</u>	<u>-</u>	<u>(13,332)</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,866</u>	<u>\$ 16,882</u>	<u>\$ 20,467</u>	<u>\$ 8,384</u>	<u>\$ 48,599</u>

**REGIONAL OFFICE OF EDUCATION #40**  
**CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**EDUCATION FUND ACCOUNTS**  
**ADULT EDUCATION PROGRAMS**  
**For the Year Ended June 30, 2010**

	Federal Basic	Public Assistance	State Basic	State Performance	Total
<b>Revenues</b>					
State sources	\$ -	\$ 28,628	\$ 23,138	\$ 22,230	\$ 73,996
Federal sources	29,844	-	-	-	29,844
Total Revenues	<u>29,844</u>	<u>28,628</u>	<u>23,138</u>	<u>22,230</u>	<u>103,840</u>
<b>Expenditures</b>					
Salaries	22,651	26,566	30,029	20,370	99,616
Employee benefits	5,687	2,912	730	457	9,786
Purchased services	1,319	2,780	1,352	1,403	6,854
Supplies and materials	-	183	552	-	735
Total Expenditures	<u>29,657</u>	<u>32,441</u>	<u>32,663</u>	<u>22,230</u>	<u>116,991</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>187</u>	<u>(3,813)</u>	<u>(9,525)</u>	<u>-</u>	<u>(13,151)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	1,466	2,153	-	-	3,619
Total Other Financing Sources (Uses)	<u>1,466</u>	<u>2,153</u>	<u>-</u>	<u>-</u>	<u>3,619</u>
Net Change in Fund Balance	1,653	(1,660)	(9,525)	-	(9,532)
Fund Balance - Beginning	<u>(1,653)</u>	<u>(2,153)</u>	<u>6</u>	<u>-</u>	<u>(3,800)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ (3,813)</u>	<u>\$ (9,519)</u>	<u>\$ -</u>	<u>\$ (13,332)</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
ADULT EDUCATION - FEDERAL BASIC  
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 29,844	\$ 29,844	\$ 29,844
Total Revenues	<u>29,844</u>	<u>29,844</u>	<u>29,844</u>
Expenditures			
Salaries	22,400	22,400	22,651
Employee benefits	5,672	5,672	5,687
Purchased services	1,175	1,175	1,319
Other	597	597	-
Total Expenditures	<u>29,844</u>	<u>29,844</u>	<u>29,657</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>187</u>
Other Financing Sources (Uses):			
Transfers in	<u>-</u>	<u>-</u>	<u>1,466</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,466</u>
Net Change in Fund Balance	-	-	1,653
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>(1,653)</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
ADULT EDUCATION - PUBLIC ASSISTANCE  
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 32,441	\$ 32,441	\$ 28,628
Total Revenues	<u>32,441</u>	<u>32,441</u>	<u>28,628</u>
Expenditures			
Salaries	26,100	26,100	26,566
Employee benefits	2,990	2,990	2,912
Purchased services	2,156	2,156	2,780
Supplies and materials	546	546	183
Other	649	649	-
Total Expenditures	<u>32,441</u>	<u>32,441</u>	<u>32,441</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(3,813)</u>
Other Financing Sources (Uses)			
Transfers in	-	-	2,153
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,153</u>
Net Change in Fund Balance	-	-	(1,660)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>(2,153)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,813)</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
ADULT EDUCATION - STATE BASIC  
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 32,663	\$ 32,663	\$ 23,138
Total Revenues	<u>32,663</u>	<u>32,663</u>	<u>23,138</u>
Expenditures			
Salaries	30,016	30,016	30,029
Employee benefits	729	729	730
Purchased services	856	856	1,352
Supplies and materials	409	409	552
Other	653	653	-
Total Expenditures	<u>32,663</u>	<u>32,663</u>	<u>32,663</u>
Net Change in Fund Balance	-	-	(9,525)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>6</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,519)</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
ADULT EDUCATION - STATE PERFORMANCE  
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 22,230	\$ 22,230	\$ 22,230
Total Revenues	<u>22,230</u>	<u>22,230</u>	<u>22,230</u>
Expenditures			
Salaries	20,400	20,400	20,370
Employee benefits	394	394	457
Purchased services	991	991	1,403
Other	445	445	-
Total Expenditures	<u>22,230</u>	<u>22,230</u>	<u>22,230</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #40**  
**CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of October 1, 2009 to August 31, 2010)**  
**EDUCATION FUND ACCOUNTS**  
**BEGINNING TEACHER INDUCTION AND MENTORING**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Revenues</b>			
State sources	\$ 172,984	\$ 172,984	\$ 102,899
<b>Total Revenues</b>	<u>172,984</u>	<u>172,984</u>	<u>102,899</u>
<b>Expenditures</b>			
Salaries	40,876	40,876	19,282
Employee benefits	5,388	3,342	1,084
Purchased services	13,020	15,066	6,587
Supplies and materials	14,100	14,100	12,547
Payments to other governments	99,600	99,600	64,250
<b>Total Expenditures</b>	<u>172,984</u>	<u>172,984</u>	<u>103,750</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>(851)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	71
Transfers out	-	-	(58)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>13</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>(838)</u>
<b>Fund Balance - Beginning</b>	<u>-</u>	<u>-</u>	<u>838</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
ENGLISH LANGUAGE LEARNING TITLE III  
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 2,000	\$ 2,000	\$ 2,000
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Expenditures			
Salaries	389	389	-
Employee benefits	86	86	-
Supplies and materials	1,525	1,525	2,000
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of May 22, 2009 to August 31, 2010)  
EDUCATION FUND ACCOUNTS  
GIFTED EDUCATION  
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 70,225	\$ 70,225	\$ 58,362
Total Revenues	<u>70,225</u>	<u>70,225</u>	<u>58,362</u>
Expenditures			
Salaries	22,000	32,500	36,191
Employee benefits	670	2,486	3,906
Purchased services	33,605	10,900	6,600
Supplies and materials	1,950	24,339	11,667
Payments to other governments	12,000	-	-
Total Expenditures	<u>70,225</u>	<u>70,225</u>	<u>58,364</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(2)</u>
Other Financing Sources (Uses)			
Interest	-	-	2
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
MINI GRANTS - TITLE II-TEACHER QUALITY  
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 442	\$ 442	\$ 442
Total Revenues	<u>442</u>	<u>442</u>	<u>442</u>
Expenditures			
Purchased services	442	442	442
Total Expenditures	<u>442</u>	<u>442</u>	<u>442</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
MINI GRANTS - TITLE IV-SAFE & DRUG FREE SCHOOLS-FORMULA  
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 57	\$ 57	\$ 57
Total Revenues	<u>57</u>	<u>57</u>	<u>57</u>
Expenditures			
Purchased services	57	57	57
Total Expenditures	<u>57</u>	<u>57</u>	<u>57</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
PRESCHOOL MONITORING  
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 25,500	\$ 25,500	\$ 14,443
Total Revenues	<u>25,500</u>	<u>25,500</u>	<u>14,443</u>
Employee benefits			
Purchased services	24,500	24,500	23,727
Supplies and materials	1,000	1,000	1,773
Total Expenditures	<u>25,500</u>	<u>25,500</u>	<u>25,500</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(11,057)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	1,255
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,255</u>
Net Change in Fund Balance	-	-	(9,802)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>(1,255)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,057)</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of March 19, 2010 to August 31, 2010)  
EDUCATION FUND ACCOUNTS  
READING FIRST PROGRAM  
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 33,166	\$ 33,166	\$ 17,513
Total Revenues	<u>33,166</u>	<u>33,166</u>	<u>17,513</u>
Expenditures			
Salaries	1,350	1,350	-
Employee benefits	234	234	-
Purchased services	20,891	20,891	13,582
Supplies and materials	10,691	10,691	3,931
Total Expenditures	<u>33,166</u>	<u>33,166</u>	<u>17,513</u>
Net Change in Fund Balances	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
REGIONAL SAFE SCHOOLS  
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Local sources	\$ -	\$ -	\$ 5,665
State sources	138,190	138,190	210,029
Total Revenues	<u>138,190</u>	<u>138,190</u>	<u>215,694</u>
Expenditures			
Salaries	99,026	99,026	149,255
Employee benefits	2,473	2,473	13,219
Purchased services	22,351	22,351	35,879
Supplies and materials	11,576	11,576	12,925
Other	-	-	5
Payments to other governments	2,764	2,764	2,764
Total Expenditures	<u>138,190</u>	<u>138,190</u>	<u>214,047</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>1,647</u>
Other Financing Sources (Uses)			
Transfers out	-	-	(3,320)
Interest	-	-	2
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(3,318)</u>
Net Change in Fund Balance	-	-	(1,671)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>42,922</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,251</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
REGIONAL SYSTEM OF SUPPORT PROVIDER  
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 58,300	\$ 58,300	\$ 58,283
Total Revenues	<u>58,300</u>	<u>58,300</u>	<u>58,283</u>
Expenditures			
Salaries	52,800	52,800	41,582
Employee benefits	-	-	12,569
Purchased services	5,500	5,500	4,132
Total Expenditures	<u>58,300</u>	<u>58,300</u>	<u>58,283</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)			
Transfers in	-	-	8,721
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>8,721</u>
Net Change in Fund Balance	-	-	8,721
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>(8,721)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #40**  
**CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of October 1, 2009 to December 31, 2010)**  
**EDUCATION FUND ACCOUNTS**  
**TEACHER AND ADMINISTRATORS MENTORING PROGRAM**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 137,510	\$ 137,510	\$ -
Total Revenues	<u>137,510</u>	<u>137,510</u>	<u>-</u>
Expenditures:			
Salaries	32,000	32,000	14,750
Employee benefits	571	571	242
Purchased services	6,479	13,879	615
Supplies and materials	9,000	10,000	1,360
Payments to other governments	89,460	81,060	500
Total Expenditures	<u>137,510</u>	<u>137,510</u>	<u>17,467</u>
Net Change in Fund Balance	-	-	(17,467)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,467)</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION  
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 101,974	\$ 101,974	\$ 71,329
Total Revenues	<u>101,974</u>	<u>101,974</u>	<u>71,329</u>
Expenditures			
Salaries	88,194	91,994	92,063
Employee benefits	2,318	2,418	3,346
Purchased services	10,237	6,337	5,956
Supplies and materials	1,225	1,225	609
Total Expenditures	<u>101,974</u>	<u>101,974</u>	<u>101,974</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(30,645)</u>
Other Financing Sources (Uses):			
Interest	<u>-</u>	<u>-</u>	<u>1</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1</u>
Net Change in Fund Balance	-	-	(30,644)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>49</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,595)</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2010**

	Alternative Schools Fund	Bus Driver Permit Fund	General Education Development Fund	Institute Fund
<b>Assets</b>				
Cash and cash equivalents	\$ 14,677	\$ 6,977	\$ -	\$ 29,491
Due from other funds	-	-	10,595	-
Due from other governments	-	-	812	160
Total Assets	<u>\$ 14,677</u>	<u>\$ 6,977</u>	<u>\$ 11,407</u>	<u>\$ 29,651</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,329	\$ 1	\$ 18	\$ 117
Accrued wages and benefits	4,520	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	440
Total Liabilities	<u>5,849</u>	<u>1</u>	<u>18</u>	<u>557</u>
<b>Fund Balance</b>				
Unreserved	<u>8,828</u>	<u>6,976</u>	<u>11,389</u>	<u>29,094</u>
Total Fund Balances	<u>8,828</u>	<u>6,976</u>	<u>11,389</u>	<u>29,094</u>
Total Liabilities and Fund Balances	<u>\$ 14,677</u>	<u>\$ 6,977</u>	<u>\$ 11,407</u>	<u>\$ 29,651</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2010**

	Olympiad Fund	Seventh Judicial Family Violence Prevention Fund	Student Social Services Fund	Supervisory Fund
<b>Assets</b>				
Cash and cash equivalents	\$ 6,722	\$ 2,782	\$ -	\$ -
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	<u>\$ 6,722</u>	<u>\$ 2,782</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	2,782	-	-
Total Liabilities	<u>-</u>	<u>2,782</u>	<u>-</u>	<u>-</u>
<b>Fund Balance</b>				
Unreserved	<u>6,722</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>6,722</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 6,722</u>	<u>\$ 2,782</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2010**

	<u>Teen Parent Services Fund</u>	<u>Trustee Fund</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 56	\$ 60,705
Due from other funds	-	-	10,595
Due from other governments	17,600	-	18,572
Total Assets	<u>\$ 17,600</u>	<u>\$ 56</u>	<u>\$ 89,872</u>
 <b>Liabilities</b>			
Accounts payable	\$ 154	\$ -	\$ 1,619
Accrued wages and benefits	-	-	4,520
Due to other funds	13,993	-	13,993
Deferred revenue	3,453	-	6,675
Total Liabilities	<u>17,600</u>	<u>-</u>	<u>26,807</u>
 <b>Fund Balance</b>			
Unreserved	<u>-</u>	<u>56</u>	<u>63,065</u>
Total Fund Balances	<u>-</u>	<u>56</u>	<u>63,065</u>
 Total Liabilities and Fund Balances	<u>\$ 17,600</u>	<u>\$ 56</u>	<u>\$ 89,872</u>

**REGIONAL OFFICE OF EDUCATION #40**  
**CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2010**

	Alternative Schools Fund	Bus Driver Permit Fund	General Education Development Fund	Institute Fund
<b>Revenues</b>				
Local sources	\$ 7,560	\$ 1,674	\$ 21,868	\$ 23,138
State sources	75,948	873	-	-
Federal sources	-	-	-	-
Total Revenues	<u>83,508</u>	<u>2,547</u>	<u>21,868</u>	<u>23,138</u>
<b>Expenditures</b>				
Salaries	48,761	-	9,531	-
Employee benefits	4,083	-	221	-
Purchased services	16,979	1,732	4,321	3,497
Supplies and materials	3,618	255	2,249	294
Other	5	-	-	7,242
Total Expenditures	<u>73,446</u>	<u>1,987</u>	<u>16,322</u>	<u>11,033</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>10,062</u>	<u>560</u>	<u>5,546</u>	<u>12,105</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	(3,492)	-	-	-
Interest	1	-	-	-
Total Other Financing Sources (Uses)	<u>(3,491)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	6,571	560	5,546	12,105
Fund Balance - Beginning	<u>2,257</u>	<u>6,416</u>	<u>5,843</u>	<u>16,989</u>
Fund Balance - Ending	<u>\$ 8,828</u>	<u>\$ 6,976</u>	<u>\$ 11,389</u>	<u>\$ 29,094</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2010**

	Olympiad Fund	Seventh Judicial Family Violence Prevention Fund	Student Social Services Fund	Supervisory Fund
<b>Revenues</b>				
Local sources	\$ 10,050	\$ -	\$ -	\$ -
State sources	-	17,841	-	4,000
Federal sources	-	-	-	-
Total Revenues	<u>10,050</u>	<u>17,841</u>	<u>-</u>	<u>4,000</u>
<b>Expenditures</b>				
Salaries	-	12,876	-	-
Employee benefits	-	2,419	-	-
Purchased services	9,751	3,218	1	4,000
Supplies and materials	2,332	109	-	-
Other	-	-	-	-
Total Expenditures	<u>12,083</u>	<u>18,622</u>	<u>1</u>	<u>4,000</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(2,033)</u>	<u>(781)</u>	<u>(1)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	1	-
Transfers out	-	-	-	-
Interest	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
Net Change in Fund Balance	(2,033)	(781)	-	-
Fund Balance - Beginning	<u>8,755</u>	<u>781</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 6,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #40  
CALHOUN, GREENE, JERSEY, AND MACOUPIN COUNTIES  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2010**

	Teen Parent Services Fund	Trustee Fund	Total
<b>Revenues</b>			
Local sources	\$ -	\$ 1,389	\$ 65,679
State sources	31,547	-	130,209
Federal sources	1,000	-	1,000
Total Revenues	<u>32,547</u>	<u>1,389</u>	<u>196,888</u>
<b>Expenditures</b>			
Salaries	7,828	-	78,996
Employee benefits	209	-	6,932
Purchased services	24,370	1,383	69,252
Supplies and materials	140	-	8,997
Other	-	-	7,247
Total Expenditures	<u>32,547</u>	<u>1,383</u>	<u>171,424</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>-</u>	<u>6</u>	<u>25,464</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	1,167	-	1,168
Transfers out	-	-	(3,492)
Interest	-	-	1
Total Other Financing Sources (Uses)	<u>1,167</u>	<u>-</u>	<u>(2,323)</u>
Net Change in Fund Balance	1,167	6	23,141
Fund Balance - Beginning	<u>(1,167)</u>	<u>50</u>	<u>39,924</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 56</u>	<u>\$ 63,065</u>