

**State of Illinois**  
**REGIONAL OFFICE OF EDUCATION #41**  
**MADISON COUNTY**  
**FINANCIAL AUDIT**  
**(In Accordance with the Single Audit Act and OMB Circular A-133)**  
**For the Year Ended June 30, 2009**

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

**TECH REVIEW SHEET**

Client: ROC 41 Balance Sheet Date: \_\_\_\_\_ Partner DK  
 Type of Service: audit Technical Reviewer: \_\_\_\_\_ Date \_\_\_\_\_

**THIS CHECKLIST IS TO BE COMPLETED AND ATTACHED TO ALL REPORTS**

- |  |                |
|--|----------------|
|  | <u>Done by</u> |
| 1. Review the accountant's report for appropriateness and consistency with firm guidelines                           | _____          |
| 2. Review financial statement captions and descriptions used.  | _____          |
| 3. Review statements for appropriate references to the accountant's reports and notes to the financial statements.   | _____          |
| 4. Review notes for content and wording.   | _____          |
| 5. Review disclosures for inaccuracies and omissions, including comparison with disclosure checklist if appropriate. | _____          |
| 6. Review for obvious departures from GAAP. Investigate suspicious areas.  | _____          |
| 7. Review the financial statements for appearance.   | _____          |
| 8. Review the report on communication of internal control related matters noted in an audit.                         | _____          |
| 9. Discuss changes and clear all review notes with In-charge Accountant and, if appropriate, the Engagement Partner. | _____          |

**REPORT NEEDED BY \_\_\_\_\_**

**TYPING AND PROOF**

	TYPED BY	CHECKED COLUMBIA FORMATED	CHECKED
TYPED	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMPUTATIONS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CORRECTIONS MADE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IN CHARGE ACCT REVIEW	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IN CHARGE ACCT CHANGES MADE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
JUNE - READ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMPUTATIONS FINAL CHECK	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DRAFTS SENT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NO OF COPIES	<u>53</u>	<u>50 bound</u>	<u>34/10</u>
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**TECH REVIEW**

	PART INITIAL	DATE
<b>INITIAL TECH REVIEW</b>	<input type="checkbox"/>	<input type="checkbox"/>
EDITS/REVISIONS	<input type="checkbox"/>	<input type="checkbox"/>
<b>SECOND TECH REVIEW</b>	<input type="checkbox"/>	<input type="checkbox"/>
EDITS/REVISIONS MADE	<input type="checkbox"/>	<input type="checkbox"/>
FINAL ENGAGEMENT PARTNER REVIEW	<input type="checkbox"/>	<input type="checkbox"/>
ENGAGEMENT PARTNER APPROVED FOR RELEASE	<input type="checkbox"/>	<input type="checkbox"/>
REPORT SIGNED BY	<input type="checkbox"/>	<input type="checkbox"/>

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 53 - 50 bound  
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**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
For the Year Ended June 30, 2009**

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**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
For the Year Ended June 30, 2009**

**OFFICIALS**

Regional Superintendent  
(Current and during audit period)

Mr. Robert A. Daiber

Assistant Regional Superintendent  
(During audit period)

Mr. Cullen L. Cullen

Assistant Regional Superintendent  
(July 1, 2009 to current)

Mr. Andrew Reinking

Office is located at:

157 N. Main Street Ste 438  
Edwardsville, Illinois 62025

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
For the Year Ended June 30, 2009**

**COMPLIANCE REPORT SUMMARY**

The compliance 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 on compliance and on internal controls do not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF AUDIT FINDINGS**

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	2	3
Repeated audit findings	1	1
Prior recommendations implemented or not repeated	2	1

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

An additional matter which is less than a significant deficiency or material weakness but more than inconsequential, has been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, this issue may have been included as an immaterial finding in the auditors' reports.

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<b>FINDINGS (GOVERNMENT AUDITING STANDARDS)</b>			
09-1	12-13	Payroll costs not properly allocated	Significant Deficiency
09-2	14-15	Excess grant funds and interest income	Significant Deficiency
<b>FINDINGS AND QUESTIONED COST (FEDERAL COMPLIANCE)</b>			
09-1	12-13	Payroll costs not properly allocated	Significant Deficiency
09-2	14-15	Excess grant funds and interest income	Significant Deficiency
<b>PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)</b>			
08-1	19	Uncollateralized and uninsured deposits	Significant Deficiency
<b>PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)</b>			
08-3	19	Inadequate Identification of Federal Awards and Monitoring of Subrecipients	Noncompliance

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
For the Year Ended June 30, 2009**

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on November 18, 2009. The following people attended this meeting:

<u>Name</u>	<u>Title</u>
Robert A. Daiber	Regional Superintendent
Andrew Reinking	Assistant Regional Superintendent
Dennis Brueggemann	Administrative Assistant for Finance
Jennifer Zoelzer	Madison County Auditor
Dale B. Holtmann	Special Assistant Auditor, J. W. Boyle & Co., Ltd.
Jill Branch	Special Assistant Auditor, J. W. Boyle & Co., Ltd.

Responses to the recommendations were provided by Andrew Reinking in a letter dated November 18, 2009.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
For the Year Ended June 30, 2009**

**FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Regional Office of Education #41 was performed by J.W. Boyle & Co., Ltd.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #41's basic financial statements.



**AUDITORS' REPORTS**

## INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #41, as of and for the year ended June 30, 2009, which collectively comprise the Regional Office of Education #41's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office of Education #41's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #41, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 7, 2009 on our consideration of the Regional Office of Education #41's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 20 through 26 is not a required part of the basic financial statements but is 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 #41'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 accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*JW Boyle & Co., Ltd.*

J. W. Boyle & Co., Ltd.

December 7, 2009

**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 #41, as of and for the year ended June 30, 2009, which collectively comprise the Regional Office of Education #41's basic financial statements and have issued our report thereon dated December 7, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Regional Office of Education #41's (ROE #41) 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 ROE #41's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the ROE #41's internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in findings 09-1 and 09-2 in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the ROE #41'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 09-1 and 09-2.

We also noted certain matters which we have reported to management of ROE #41 in a separate letter dated December 7, 2009.

ROE #41's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit ROE #41's responses and, accordingly, we express no opinion on them.

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

*J W Boyle & Co., Ltd.*

J. W. Boyle & Co., Ltd.

December 7, 2009

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable William G. Holland  
Auditor General  
State of Illinois

Compliance

We have audited the compliance of the Regional Office of Education #41 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Regional Office of Education #41's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Regional Office of Education #41's management. Our responsibility is to express an opinion on the Regional Office of Education #41's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Regional Office of Education #41's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Regional Office of Education #41's compliance with those requirements.

In our opinion, the Regional Office of Education #41 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 09-1 and 09-2.

## Internal Control over Compliance

The management of the Regional Office of Education #41 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Regional Office of Education #41's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #41's internal control over compliance.

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

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items' 09-1 and 09-2 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Regional Office of Education #41's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Regional Office of Education #41's responses and, accordingly, we express no opinion on them.

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

*J.W. Boyle & Co., Ltd.*

J. W. Boyle & Co., Ltd.

December 7, 2009

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2009**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?   X   Yes    \_\_\_\_\_ None reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   No

**Federal Awards**

Internal control over major programs:

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

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

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

Identification of **major** programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.394	American Recovery and Reinvestment Act – General State Aid – Sec 18-8
84.357	Title I – Reading First Part B SEA Funds
84.010	Title I – School Improvement and Accountability

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

Auditee qualified as a low-risk auditee? \_\_\_\_\_ Yes      X   No



**STATE OF ILLINOIS  
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MADISON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2009**

**Section II--Financial Statement Findings**

FINDING NO.  
REPEATED FROM

09-1

**Federal Program Name and Year:** Title I School Improvement and Accountability 2008 & 2009

**Project No.:** 08-4331-SS and 09-4331-SS

**CFDA No.:** 84.010

**Passed Through:** St. Clair County Regional Office of Education #50

**Federal Agency:** U.S. Department of Education

**Payroll costs not properly allocated**

1. **Criteria/specific requirement:**

Based on allowable cost principles, the payroll of each employee who works for more than one grant must be allocated to each individual grant based on the amount of time spent on that grant.

2. **Condition:**

The Regional Office of Education did not allocate payroll based on time spent working on the grant. Payroll costs for several employees were posted to the wrong funds and were incorrectly reimbursed by those grants.

3. **Questioned Costs**

Actual expenses incurred	\$ 226,117
Expenses reimbursed	<u>245,068</u>
Questioned costs	<u><u>\$ 18,951</u></u>

4. **Context**

There were 9 programs that were affected by the lack of allocation of payroll costs based on actual time spent on the grant. The total payroll amount for these programs was \$519,701. Of this, one program was overcharged a total of \$18,951.

5. **Effect:**

Payroll costs for several employees were posted to the wrong funds and were incorrectly reimbursed by those grants.

6. **Cause:**

Payroll costs were allocated to a grant based on a percentage of the employee's salary. Some employees are paid over 12 months but actually only work 210 days of the year. Because payroll costs were allocated to grants based on a percentage of their annualized salary and not the time actually worked, one grant was overcharged.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2009**

**7. *Recommendation:***

The Regional Office of Education should post all payroll costs to the correct fund based on the actual time spent on the grant project. Days not worked should not be charged to a grant.

**8. *Management's response:***

The Regional Office of Education will review payroll practices and implement procedures so that the gross pay for each employee will be allocated based on the actual hours worked during the pay period. The salaries recorded on the General Ledger will be the amounts listed on the grant expenditure reports submitted for reimbursement. A periodic review will be held to assure the salaries for each employee are allocated to the appropriate grant and the salaries are posted to the correct funds. For each pay period, the sum of the salaries allocated to the funds for any given employee will equal the total amount of the gross pay for that pay period.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2009**

**Section II--Financial Statement Findings**

FINDING NO.	09-2
REPEATED FROM	08-2

**Federal Program Name and Year:** (a) Title I Reading First Part B SEA Funds  
(b) Title I Reading First Technical Assistance  
(c) Migrant Education  
(d) Mathematics & Science Partnership (2007),  
(e) Mathematics & Science Partnership (2008),  
(f) McKinney-Vento Homeless Children & Youth Program

**Project No.:** (a) 09-4337-00, (b) 09-4337-04, (c) 08-4340-01, (d) 07-4936-01, (e) 08-4936-01, (f) 09-4920-00

**CFDA No.:** (a)(b) 84.357, (c) 84.011, (d)(e) 84.366, (f) 84.196

**Passed Through:** (a) (b) (c) (d) (e) Illinois State Board of Education,  
(f) Bond/Fayette/Effingham Counties Regional Office of Education #3

**Federal Agency:** (a) (b) (c) (d) (e) (f) U.S. Department of Education

**Excess Grant Funds and Interest Income**

1. **Criteria/specific requirement:**

The Illinois Grant Funds Recovery Act (30 ILCS 705/10) states that all interest earned on grant funds held by a grantee shall become part of the grant principal when earned and be treated accordingly for all purposes unless the grant agreement provides otherwise. Any grant funds not expended or legally obligated by the end of the grant period must be returned to the grantor. In addition, the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (34 Code of Federal Regulations Part 80.21) requires that interest earned on federal fund balances in excess of \$100 be remitted back to the federal granting agency promptly or at least quarterly.

2. **Condition:**

The Regional Office of Education did not remit unobligated and unspent interest earned on grant funds to the granting agency after the grant period had ended. In addition, interest earned in excess of \$100 on federal fund balances was not remitted back to the federal granting agency promptly or at least on a quarterly basis.

Excess interest revenue	
Title I Reading First Part B SEA Funds	\$ 266
Title I Reading First Technical Assistance	87
Migrant Education	9
Mathematics & Science Partnership (2007)	144
Mathematics & Science Partnership (2008)	465
McKinney-Vento Homeless Children & Youth Program	453
	\$ 1,424

**STATE OF ILLINOIS**  
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**MADISON COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2009**

3. ***Questioned Costs***

The unspent grant and interest revenue of \$1,424 represents questioned costs that need to be returned to the Illinois State Board of Education.

4. ***Context***

The Regional Office of Education has 25 grants they administer and account for through separate funds. Of these, six funds have interest revenues earned on federal fund balances in excess of \$100 or unspent interest earnings at the end of the grant period that are required to be returned to the grantor.

5. ***Effect:***

Noncompliance with the Illinois Grant Funds Recovery Act and the *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments* (34 Code of Federal Regulations Part 80.21).

6. ***Cause:***

The Regional Office of Education did not monitor the interest earnings on grants due to a lack of understanding of compliance rules.

7. ***Recommendation:***

The Regional Office of Education should track interest earnings on federal funds so that any excess funds can be returned promptly. In addition, at the end of the grant period unobligated or unspent interest on all grants plus any federal interest in excess of \$100 should be returned to the grantor. The Regional Office of Education should ensure that the bookkeeper has adequate and necessary training of compliance requirements.

8. ***Management's response:***

The Regional Office of Education will review practices and investigate the interest earnings and cash balances remaining in accounts at the end of year to determine what actions need to be taken to close-out accounts. The Regional Office of Education will obtain appropriate documentation from granting agencies regarding the required disposition of the outstanding grant money. The Regional Office of Education will return the outstanding grant money to the appropriate agency when required.

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REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2009**

**Section III: Findings and Questioned Costs for Federal Awards**

**INSTANCES OF NONCOMPLIANCE:**

1. Finding No. 09-1 Payroll costs not properly allocated  
(finding detail on pages 12-13)
2. Finding No. 09-2 Excess grant funds and interest income  
(finding detail on pages 14-15)

**SIGNIFICANT DEFICIENCIES:**

1. Finding No. 09-1 Payroll costs not properly allocated  
(finding detail on pages 12-13)
2. Finding No. 09-2 Excess grant funds and interest income  
(finding detail on pages 14-15)

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS  
JUNE 30, 2009**

**Corrective Action Plan**

**Finding No.: 09-1**

**Condition:**

The Regional Office of Education did not allocate payroll based on time spent working on the grant. Payroll costs for several employees were posted to the wrong funds and were incorrectly reimbursed by those grants.

**Plan:**

The Regional Office of Education will review payroll practices and implement procedures so that the gross pay for each employee will be allocated based on the actual hours worked during the pay period. The salaries recorded on the General Ledger will be the amounts listed on the grant expenditure reports submitted for reimbursement. A periodic review will be held to assure the salaries for each employee are allocated to the appropriate grant and the salaries are posted to the correct funds. For each pay period, the sum of the salaries allocated to the funds for any given employee will equal the total amount of the gross pay for that pay period.

**Anticipated Date of Completion:**

January 1, 2010

**Name of Contact Person:**

Robert A. Daiber, Regional Superintendent

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS  
JUNE 30, 2009**

**Corrective Action Plan**

**Finding No.: 09-2**

**Condition:**

The Madison County Regional Office of Education did not remit unobligated and unspent interest earned on grant funds to the granting agency after the grant period had ended. In addition, interest earned in excess of \$100 on federal fund balances was not remitted back to the federal granting agency promptly or at least on a quarterly basis.

Excess interest revenue	
Title I Reading First Part B SEA Funds	\$ 266
Title I Reading First Technical Assistance	87
Migrant Education	9
Mathematics & Science Partnership (2007)	144
Mathematics & Science Partnership (2008)	465
McKinney-Vento Homeless Children & Youth Program	<u>453</u>
	<u>\$ 1,424</u>

**Plan:**

The Regional Office of Education will review practices and investigate the interest earnings and cash balances remaining in accounts at the end of year to determine what actions need to be taken to close-out accounts. The Regional Office of Education will obtain appropriate documentation from granting agencies regarding the required disposition of the outstanding grant money. The Regional Office of Education will return the outstanding grant money to the appropriate agency when required.

**Anticipated Date of Completion:**

January 1, 2010

**Name of Contact Person:**

Robert A. Daiber, Regional Superintendent

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2009**

<b>Finding Number</b>	<b>Condition</b>	<b>Current Status</b>
08-1	Uncollateralized and uninsured deposits	Corrected
08-2	Excess grant funds and interest income	Repeat finding 08-2
08-3	Inadequate identification of federal awards and monitoring of subrecipients	Corrected



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

**REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of Madison County Regional Office of Education #41 (ROE #41), we offer readers a review of our financial statements and an analysis of the financial activities of the ROE #41 for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with ROE #41's financial statements, which follows this section.

**2009 Financial Highlights**

- The assets of the ROE #41 exceeded its liabilities by \$2,214,099 (total net assets). The total net assets increased by \$121,680 or 6%.
- Operating grant monies received by the ROE #41 increased by \$92,212 in 2009. ROE #41 received stable funding from General State Aid (GSA), Title I Reading First Part B SEA, and the Title I School Improvement. Funding decreased for Governor's initiative funds and Math & Science Partnership Grant.
- Governmental Activities, charges for services revenues decreased by \$531,076 from FY'08; whereas Business-type activities revenues decreased by \$18,707. These changes resulted from lower enrollments at the schools operated by ROE#41 and fewer Business-type activities. There was a decrease in state revenues and a corresponding increase in federal revenues since ARRA funds were used to fund GSA payments.
- Total expenses for ROE #41 decreased by \$549,541 due to the reduction in force in the Educational Therapy Center (ETC) and the savings realized in the operation of the Freeman School.

**Overview of the Financial Statement**

The annual 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 Agency's financial activities.
- The Government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These financial statements provide information about the activities of ROE #41 as a whole and present an overall view of the Agency's finances in a manner similar to private sector businesses.
- The fund financial statements illustrate how governmental services were financed in the short term, as well as what remains for future spending. Fund financial statements report ROE #41'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 essential to a full understanding of the data provided in the basic financial statements.
- Supplementary information further explains and supports the financial statements.
- Other information includes combining financial statements and budgetary information for certain general fund accounts, Education fund accounts, Educational Therapy Center, and other non-major accounts.

See independent auditors' report.

**REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of ROE #41's finances, in a manner similar to private-sector businesses.

The Statement of Net Assets presents information on all of ROE #41's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of ROE #41 is improving or deteriorating.

The Statement of Activities presents information showing how ROE #41's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for certain items that will only result in cash flows in future fiscal periods.

In the government-wide financial statements, ROE #41's activities are divided into two categories:

- *Governmental activities:* Most of ROE #41's basic services are included here, such as regular and special education instruction, instructional staff support services and administration. Federal, state and local grants and contributions finance many of these activities.
- *Business-type activities:* ROE #41 charges fees to help cover the costs of certain services it provides, such as workshops, conferences and teacher certification.

The government-wide financial statements can be found on pages 27-28 of this report.

**Fund financial statements.** The fund financial statements provide detailed information about ROE #41's funds, focusing on its most significant or "major" funds, not ROE #41 as a whole. Funds are accounting devices ROE #41 uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law. ROE #41 establishes other funds to control and manage money for particular purposes, such as educational instruction in specific areas or in order to show that it is properly using certain revenues, such as federal grants. All of the funds of ROE #41 can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* account for most of ROE #41's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. Because the governmental fund information does not encompass the additional long-term focus of the government-wide statements, it is useful to compare the statements. By doing so, the readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

See independent auditors' report.

**REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Governmental funds include all general and special revenue funds. The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

The basic governmental fund financial statements can be found on pages 29 and 31 of this report.

**Proprietary funds.** ROE #41 maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide statements. ROE #41 uses enterprise funds to account for educational services for which it charges a fee. Proprietary fund statements provide the same type of information as the government-wide financial statements, but with more detail and additional information, such as cash flows. The proprietary fund financial statements provide separate information for the Technology Hub and Workshop funds.

The proprietary funds required financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets and a Statement of Cash Flows. The basic proprietary fund financial statements can be found on pages 33-35 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support ROE #41's own programs. The accounting for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund statement can be found on page 36 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-54 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning ROE #41. Overall budgeting is not a legal requirement for ROE #41. Accordingly, formal budgets are not adopted; and therefore, budgetary comparison statements are not included in the required supplementary information. However, ROE #41 is the recipient of monies from the Illinois State Board of Education (ISBE) for certain accounts within the general fund and for most accounts within the education fund on which ISBE requires budgetary comparison to actual results. Budgetary comparison schedules have been provided for the ISBE accounts to demonstrate compliance and can be found on pages 58 and 63-70 of this report.

The combining statements, in connection with the General Fund, Education Funds, Educational Therapy Center, and non-major special revenue funds can be found on pages 56-74 of this report.

See independent auditors' report.

**REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of financial position. ROE #41's net assets at the end of the Fiscal Year 2009 totaled \$2,214,099. This is compared to \$2,092,419 at the end of Fiscal Year 2008. The analysis that follows provides a summary of the ROE #41's net assets at June 30, 2009 and June 30, 2008 for the governmental and business-type activities.

	Condensed Statement of Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 2,157,283	\$ 2,340,910	\$ 411,366	\$ 405,903	\$ 2,568,649	\$ 2,746,813
Capital assets	238,475	219,971	15,943	5,803	254,418	225,774
Total assets	<u>\$ 2,395,758</u>	<u>\$ 2,560,881</u>	<u>\$ 427,309</u>	<u>\$ 411,706</u>	<u>\$ 2,823,067</u>	<u>\$ 2,972,587</u>
Current liabilities	\$ 560,148	\$ 832,625	\$ 9,583	\$ 2,268	\$ 569,731	\$ 834,893
Noncurrent liabilities	39,237	45,275	-	-	39,237	45,275
Total liabilities	<u>\$ 599,385</u>	<u>\$ 877,900</u>	<u>\$ 9,583</u>	<u>\$ 2,268</u>	<u>\$ 608,968</u>	<u>\$ 880,168</u>
Net assets:						
Invested in Capital Assets, net of related debt	\$ 238,475	\$ 219,971	\$ 15,943	\$ 5,803	254,418	225,774
Unrestricted	1,324,722	1,207,221	401,783	403,635	1,726,505	1,610,856
Restricted for professional development	<u>233,176</u>	<u>255,789</u>	<u>-</u>	<u>-</u>	<u>233,176</u>	<u>255,789</u>
Total net assets	<u>\$ 1,796,373</u>	<u>\$ 1,682,981</u>	<u>\$ 417,726</u>	<u>\$ 409,438</u>	<u>\$ 2,214,099</u>	<u>\$ 2,092,419</u>

Year 2009 total assets, comprised predominately of cash and receivables, for governmental activities and business-type activities decreased by \$149,520 and liabilities decreased by \$271,200, both due in large part to the timing of grant receipts.

As indicated above, ROE #41 reported positive net assets for both the governmental and business-type activities. The assets of ROE #41 exceeded its liabilities at the close of the year by \$2,214,099 (net assets). The investment in net capital assets was \$254,418 at the end of Fiscal Year 2009. ROE #41 uses these capital assets in providing services to its citizens; consequently, these assets are not available for future spending.

Net assets of ROE #41 increased by \$121,680 during Fiscal Year 2009. The net increase is a result of a decrease in expenditures. Key elements of the change are as follows:

See independent auditors' report.

**REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

	Changes in Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 990,334	\$ 1,521,410	\$ 144,856	\$ 163,563	\$ 1,135,190	\$ 1,684,973
Operating grants and contributions	2,394,445	2,302,233	-	-	2,394,445	2,302,233
General revenues:						
Local source	53,002	93,435	-	-	53,002	93,435
State source	8,109	3,197	-	-	8,109	3,197
Interest	26,200	39,908	7,633	12,931	33,833	52,839
On-behalf payments	<u>1,140,042</u>	<u>1,117,689</u>	-	-	<u>1,140,042</u>	<u>1,117,689</u>
Total revenues	4,612,132	5,077,872	152,489	176,494	4,764,621	5,254,366
Primary government:						
Instructional Services:						
Salaries and benefits	2,355,564	2,636,194	28,990	35,742	2,384,554	2,671,936
Purchased services	769,078	732,697	90,462	84,909	859,540	817,606
Supplies and materials	112,693	220,300	18,359	37,004	131,052	257,304
Capital Outlay	12,689	1,484	-	-	12,689	1,484
Other objects	8,724	10,674	241	105	8,965	10,779
Other payments to governments	9,240	236,879	2,500	1,658	11,740	238,537
Depreciation	90,710	75,737	3,649	1,410	94,359	77,147
Administrative on-behalf payments						
State	515,806	479,079	-	-	515,806	479,079
Local	<u>624,236</u>	<u>638,610</u>	-	-	<u>624,236</u>	<u>638,610</u>
Total expenses	4,498,740	5,031,654	144,201	160,828	4,642,941	5,192,482
Loss on disposal of capital assets	-	-	-	-	-	-
Change in net assets	113,392	46,218	8,288	15,666	121,680	61,884
Net assets, beginning of year	1,682,981	1,395,689	409,438	634,846	2,092,419	2,030,535
Reclassification Institute Fund	-	241,074	-	(241,074)	-	-
Net assets, end of year	<u>\$ 1,796,373</u>	<u>\$ 1,682,981</u>	<u>\$ 417,726</u>	<u>\$ 409,438</u>	<u>\$ 2,214,099</u>	<u>\$ 2,092,419</u>

**GOVERNMENTAL ACTIVITIES**

Revenues for Governmental activities decreased by \$465,740 or 9% in Fiscal Year 2009. While the ROE #41's operating grants increased by \$92,212 as a result of funding from General State Aid, Title I Reading First SEA Part B, and the Title I School Improvement. Charges for services decreased by \$531,076 due to the reduction in enrollment at the Educational Therapy Center (ETC).

See independent auditors' report.

**REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**GOVERNMENTAL ACTIVITIES (CONTINUED)**

The expenditures in total decreased by \$532,914. The decrease in expenditures was due to a reduction in force at the Educational Therapy Center.

**BUSINESS-TYPE ACTIVITIES**

Revenues for this activity are comprised of charges for services. Expenses are for the purchase of services and the costs related to the workshops, conferences and academics conducted by the ROE #41. The decrease in the revenues of approximately \$24,005 is a result of a decrease in the number of workshop participants and a decrease in interest revenue. Expenditures decreased by \$16,627 as the number of conferences and workshops decreased.

**FINANCIAL ANALYSIS OF THE REGIONAL OFFICE OF EDUCATION'S FUNDS**

As previously noted, ROE #41 uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**GOVERNMENTAL FUND HIGHLIGHTS**

The ROE #41's governmental funds reported combined fund balances of \$1,597,135. This is an increase of \$88,850 from last year's ending fund balance of \$1,508,285. As discussed above, the change in governmental funds is largely attributable to the change in revenues and expenditures as discussed in Governmental Activities above, and the difference of reporting capital assets and accrued absences.

**PROPRIETARY FUND HIGHLIGHTS**

The business-type activities net assets increased by \$8,288 from \$409,438 at June 30, 2008 to \$417,726 at June 30, 2009. Most of this increase is attributable to the interest earned. As the revenue decreased due to the lower attendance at workshops, the corresponding expenses also decrease.

**BUDGETARY HIGHLIGHTS**

Presenting an overall budget is not a legal requirement of ROE #41. Formal budgets are not adopted for all funds; therefore budgetary comparison statements are not included in the financial statements.

ROE #41 is a subrecipient for certain grant programs that are accounted for within the special revenue funds. These programs have separate budgets and are required to be reported to the Illinois State Board of Education. Comparison of budgeted and actual results for various programs are presented as supplementary information.

**CAPITAL ASSETS**

At June 30, 2009, the ROE #41 had invested \$254,418, net of accumulated depreciation, in computers, audio-visual equipment, and other office equipment. This is a net increase of \$28,644 from last year. This increase represents depreciation of \$94,359 and equipment additions of \$123,003.

More detailed information about capital assets is available in Note 3 to the financial statements.

See independent auditors' report.

**REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

At the time these financial statements were prepared and audited, the ROE was aware of several existing circumstances that could significantly affect its financial health in the future.

- The ROE #41 has experienced a decrease in the number of students being served by its school based programs in the past year. A slight decrease in enrollment is expected at the Lighthouse Education Assistance Program and the Educational Therapy Center for the upcoming year based on enrollments from local school districts.
- The ROE #41's special day treatment program has made a reduction in force of direct instructional staff due to a decrease in referrals from local school districts. Further cuts may be warranted at the end of FY'10.
- The ROE #41 anticipates a decrease in revenue and corresponding expenditures in the Regional Safe School Program, the Truant Alternative Program, and the School Improvement Program. Further decreases in revenue will result from the loss of the Reading First Grant, and the ELL Grant. These decreases will be a result of a decrease in state funding due to the State of Illinois' financial condition.
- The ROE #41 anticipates a reduction in expenditures for FY'11 due to the retirement of experienced employees at the end of FY'10.
- The ROE #41 anticipates a revenue increase in the Bus Driver Training Fund since the fee collected by the ROE will increase by 50% on January 1, 2010. This is the first step of a three step phased in increase.
- The ROE #41 also anticipates a revenue increase in the GED Testing Fund since the fee collected by the ROE will increase from \$35.00 to \$50.00 on July 1, 2009.

**CONTACTING THE REGIONAL OFFICE OF EDUCATION'S FINANCIAL MANAGEMENT**

The financial report is designed to provide the ROE #41's citizens, taxpayers, customers, and constituents with a general overview of the ROE #41's finances and to demonstrate the ROE #41's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Administrative Assistant of Finance of the Madison County Regional Office of Education, 157 N. Main Street, Suite 438, Edwardsville, IL 62025.



## **BASIC FINANCIAL STATEMENTS**

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41**  
**STATEMENT OF NET ASSETS**  
**June 30, 2009**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and savings deposits	\$ 1,131,092	\$ 405,366	\$ 1,536,458
Due from other governments	920,070	-	920,070
Accounts receivable	106,121	6,000	112,121
<b>Total current assets</b>	<b>2,157,283</b>	<b>411,366</b>	<b>2,568,649</b>
<b>Noncurrent assets:</b>			
Capital assets, net of depreciation	238,475	15,943	254,418
<b>Total noncurrent assets</b>	<b>238,475</b>	<b>15,943</b>	<b>254,418</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,395,758</b>	<b>\$ 427,309</b>	<b>\$ 2,823,067</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 145,333	\$ 9,583	\$ 154,916
Accrued payroll	141,173	-	141,173
Due to other governments	9,950	-	9,950
Deferred revenue	263,692	-	263,692
<b>Total current liabilities</b>	<b>560,148</b>	<b>9,583</b>	<b>569,731</b>
<b>Noncurrent liabilities</b>			
Compensated absences	39,237	-	39,237
<b>TOTAL LIABILITIES</b>	<b>\$ 599,385</b>	<b>\$ 9,583</b>	<b>\$ 608,968</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 238,475	\$ 15,943	\$ 254,418
Unrestricted	1,324,722	401,783	1,726,505
Restricted for teacher professional development	233,176	-	233,176
<b>TOTAL NET ASSETS</b>	<b>\$ 1,796,373</b>	<b>\$ 417,726</b>	<b>\$ 2,214,099</b>

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



**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2009**

	General Fund	Education Fund	Lighthouse Educational Assistance Program	Institute Fund	Educational Therapy Center	Other Non-major Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and savings deposits	\$ (262,805)	\$ 413,094	\$ 432,903	\$ 228,746	\$ 246,009	\$ 73,145	\$ 1,131,092
Due from other governments	414,096	505,615	-	-	359	-	920,070
Accounts receivable	6,777	-	41,567	4,430	4,097	49,250	106,121
<b>TOTAL ASSETS</b>	<b><u>\$ 158,068</u></b>	<b><u>\$ 918,709</u></b>	<b><u>\$ 474,470</u></b>	<b><u>\$ 233,176</u></b>	<b><u>\$ 250,465</u></b>	<b><u>\$ 122,395</u></b>	<b><u>\$ 2,157,283</u></b>
<b>LIABILITIES</b>							
Accounts payable	\$ 106,356	\$ 20,372	\$ 3,495	\$ -	\$ 14,709	\$ 401	\$ 145,333
Accrued payroll	19,391	50,975	30,534	-	39,598	675	141,173
Due to other governments	1,125	6,433	-	2,386	-	6	9,950
Deferred revenue	20,717	194,975	-	-	-	48,000	263,692
<b>Total liabilities</b>	<b><u>147,589</u></b>	<b><u>272,755</u></b>	<b><u>34,029</u></b>	<b><u>2,386</u></b>	<b><u>54,307</u></b>	<b><u>49,082</u></b>	<b><u>560,148</u></b>
<b>FUND BALANCES</b>							
Unreserved, reported in:							
General fund	10,479	-	-	-	-	-	10,479
Special revenue fund	-	645,954	440,441	230,790	196,158	73,313	1,586,656
<b>Total fund balances</b>	<b><u>10,479</u></b>	<b><u>645,954</u></b>	<b><u>440,441</u></b>	<b><u>230,790</u></b>	<b><u>196,158</u></b>	<b><u>73,313</u></b>	<b><u>1,597,135</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 158,068</u></b>	<b><u>\$ 918,709</u></b>	<b><u>\$ 474,470</u></b>	<b><u>\$ 233,176</u></b>	<b><u>\$ 250,465</u></b>	<b><u>\$ 122,395</u></b>	<b><u>\$ 2,157,283</u></b>

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

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET ASSETS  
June 30, 2009**

Total Fund balances - governmental funds	\$ 1,597,135
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	238,475
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	<u>(39,237)</u>
Net assets of governmental activities	<u><u>\$ 1,796,373</u></u>

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

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**For the Year Ended June 30, 2009**

	General Fund	Education Fund	Lighthouse Educational Assistance Program	Institute Fund	Educational Therapy Center	Other Non-Major Funds	Total Governmental Funds
<b>Revenues:</b>							
Local sources	\$ 193,190	\$ 68,891	\$ 381,297	\$ 31,435	\$ 490,369	\$ 47,282	\$ 1,212,464
State sources	825,470	674,811	-	-	900	4,642	1,505,823
Federal sources	-	712,803	-	-	14,800	-	727,603
On-behalf payments	1,140,042	-	-	-	-	-	1,140,042
Interest	457	6,085	6,535	7,225	4,696	1,202	26,200
Total revenues	<u>2,159,159</u>	<u>1,462,590</u>	<u>387,832</u>	<u>38,660</u>	<u>510,765</u>	<u>53,126</u>	<u>4,612,132</u>
<b>Expenditures:</b>							
Education:							
Salaries and benefits	516,865	1,095,248	341,457	-	406,710	1,322	2,361,602
Purchased services	341,572	267,753	3,040	55,931	24,331	76,451	769,078
Supplies and materials	41,366	55,839	2,341	1,129	4,666	7,352	112,693
Other objects	208	-	4,517	600	-	3,399	8,724
Payments to other governments	1,220	2,021	-	5,999	-	-	9,240
On-behalf payments	1,140,042	-	-	-	-	-	1,140,042
Capital outlay	110,464	11,439	-	-	-	-	121,903
Total expenditures	<u>2,151,737</u>	<u>1,432,300</u>	<u>351,355</u>	<u>63,659</u>	<u>435,707</u>	<u>88,524</u>	<u>4,523,282</u>
Revenues over (under) expenditures	<u>7,422</u>	<u>30,290</u>	<u>36,477</u>	<u>(24,999)</u>	<u>75,058</u>	<u>(35,398)</u>	<u>88,850</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	7,422	30,290	36,477	(24,999)	75,058	(35,398)	88,850
Fund balance, beginning of year	<u>3,057</u>	<u>615,664</u>	<u>403,964</u>	<u>255,789</u>	<u>121,100</u>	<u>108,711</u>	<u>1,508,285</u>
Fund balance, end of year	<u>\$ 10,479</u>	<u>\$ 645,954</u>	<u>\$ 440,441</u>	<u>\$ 230,790</u>	<u>\$ 196,158</u>	<u>\$ 73,313</u>	<u>\$ 1,597,135</u>

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

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2009**

Net change in fund balances \$ 88,850

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

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

Capital Outlay	\$ 109,214	
Depreciation expense	<u>(90,710)</u>	18,504

Certain expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds

Compensated absences	<u>6,038</u>
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Change in net assets of governmental activities \$ 113,392

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET ASSETS**  
**June 30, 2009**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Technology</b>		
	<b>Hub</b>		
	<b>Enterprise</b>	<b>Workshop</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and savings deposits	\$ 166,306	\$ 239,060	\$ 405,366
Accounts receivable	6,000	-	6,000
Total current assets	<u>172,306</u>	<u>239,060</u>	<u>411,366</u>
Noncurrent assets			
Capital assets, net of depreciation	15,943	-	15,943
Total noncurrent assets	<u>15,943</u>	<u>-</u>	<u>15,943</u>
<b>TOTAL ASSETS</b>	<u>188,249</u>	<u>239,060</u>	<u>427,309</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	7,500	2,083	9,583
Total current liabilities	<u>7,500</u>	<u>2,083</u>	<u>9,583</u>
Non current liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	15,943	-	15,943
Unrestricted	<u>164,806</u>	<u>236,977</u>	<u>401,783</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 180,749</u>	<u>\$ 236,977</u>	<u>\$ 417,726</u>

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



**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET ASSETS**  
**For the Year Ended June 30, 2009**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Technology Hub Enterprise</b>	<b>Workshop</b>	<b>Total</b>
Operating revenue			
Charges for services	\$ 54,162	\$ 90,694	\$ 144,856
Total operating revenue	<u>54,162</u>	<u>90,694</u>	<u>144,856</u>
Operating expenses			
Salaries and benefits	28,779	211	28,990
Purchased services	15,393	75,069	90,462
Supplies and materials	1,967	16,392	18,359
Capital outlay	-	-	-
Other	-	241	241
Depreciation	3,649	-	3,649
Payments to other governments	2,500	-	2,500
Total operating expenses	<u>52,288</u>	<u>91,913</u>	<u>144,201</u>
Operating income (loss)	<u>1,874</u>	<u>(1,219)</u>	<u>655</u>
Nonoperating revenue			
Interest	<u>3,246</u>	<u>4,387</u>	<u>7,633</u>
Income (loss) before transfers	<u>5,120</u>	<u>3,168</u>	<u>8,288</u>
Transfers in	-	-	-
Transfers (out)	-	-	-
Total operating transfers	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	5,120	3,168	8,288
Net Assets, Beginning of year	<u>175,629</u>	<u>233,809</u>	<u>409,438</u>
Net Assets, End of year	<u>\$ 180,749</u>	<u>\$ 236,977</u>	<u>\$ 417,726</u>

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

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2009**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Technology</u>		
	<u>Hub</u>		
	<u>Enterprise</u>	<u>Workshop</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from customers	\$ 76,278	\$ 90,694	\$ 166,972
Payments to suppliers and providers of goods and services	(11,198)	(90,549)	(101,747)
Payments to other governments for goods and services	(2,500)	-	(2,500)
Payments to employees	(28,779)	(211)	(28,990)
Net cash provided by (used for) operating activities	<u>33,801</u>	<u>(66)</u>	<u>33,735</u>
Cash flows from noncapital financing activities:	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Payments for capital assets	(13,789)	-	(13,789)
Net cash used for capital and related financing activities	<u>(13,789)</u>	<u>-</u>	<u>(13,789)</u>
Cash flows from investing activities:			
Interest received	3,246	4,387	7,633
Net cash provided by investing activities	<u>3,246</u>	<u>4,387</u>	<u>7,633</u>
Net increase (decrease) in cash and cash equivalents	23,258	4,321	27,579
Cash and cash equivalents - Beginning of year	<u>143,048</u>	<u>234,739</u>	<u>377,787</u>
Cash and cash equivalents - End of year	<u>\$ 166,306</u>	<u>\$ 239,060</u>	<u>\$ 405,366</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 1,874	\$ (1,219)	\$ 655
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	3,649	-	3,649
Change in assets and liabilities:			
Decrease in accounts receivable	22,116	-	22,116
Increase in accounts payable	6,162	1,153	7,315
(Decrease) in due to other governments	-	-	-
(Decrease) in accrued payroll	-	-	-
Net cash provided by (used for) operating activities	<u>\$ 33,801</u>	<u>\$ (66)</u>	<u>\$ 33,735</u>

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

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41  
 FIDUCIARY FUND  
 STATEMENT OF FIDUCIARY NET ASSETS  
 June 30, 2009**

	Agency Fund
<b>ASSETS</b>	
Cash	\$ 6,259
Accounts receivable	87
Total assets	\$ 6,346
 <b>LIABILITIES</b>	
Due to other governments	\$ 6,346
Total liabilities	\$ 6,346

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

**NOTES TO FINANCIAL STATEMENTS**

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2009**

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

This summary of significant accounting policies of the Regional Office of Education #41 is presented to assist in understanding the Regional Office of Education's financial statements. The financial statements and notes are representations of the Regional Office of Education's management who is responsible for the integrity and objectivity of the financial statements. The Illinois Administrative Code, Title 23 - Subtitle A, Chapter I, 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 Office of Education #41 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

The Regional Superintendent is responsible for supervision and control of school districts within Regional Office of Education #41. This includes all aspects of supervision, reports and financial accounting of districts, which are considered by State law to be in the Regional Office of Education. In addition, the Regional Superintendent is charged with the responsibility for township fund lands; registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teachers meetings and assist in their management; evaluate the schools in the Regional Office of Education; examine school treasurer's books, accounts, and vouchers; 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'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, 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.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2009**

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

A. Financial Reporting Entity (continued)

For the period ended June 30, 2009, the Regional Office of Education 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 #41. Such activities are reported as a single major fund (Education Fund).

B. Scope of the Reporting Entity

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

The Regional Office of Education has developed criteria to determine whether outside agencies with activities, which benefit the citizens of the region, including districts or joint agreements, which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education 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 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education is not aware of any entity, which would exercise such oversight as to result in the Regional Office being considered a component unit of the entity.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the Regional Office of Education #41. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by grant revenues and intergovernmental revenues, are reported separately from business-type activities, which would generally rely to a significant extent on fees and charges for services.

The Statement of Net Assets presents the nonfiduciary assets and liabilities, with the differences reported as net assets. Net assets are reported in three categories:

*Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of any debt attributable to the acquisition, construction, or improvement of those assets.

*Restricted net assets* result when constraints placed on net assets use either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets* consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2009**

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

C. Government-wide and Fund Financial Statements (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

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

The accounts of the Regional Office of Education #41 are organized on the basis of funds and account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts. The Regional Office of Education #41 maintains individual funds required by the State of Illinois and as established by purpose or agreements. The various funds are summarized by type in the financial statements. These funds and accounts are grouped by fund type. The Regional Office of Education's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and by the means in which spending activities are controlled.

The various funds used by the Regional Office of Education #41 are categorized as follows for presentation in the financial statements:

*Government Fund Types*

General Funds

The General Fund is used to account for all financial resources except those required to be accounted for in other funds. The General Fund includes the following funds:

Technology Hub – This fund receives a grant for the purpose of providing a coordinated, state-wide support infrastructure which assists the school districts in planning for, implementing, assessing results and educating school staff in the use of technology and telecommunications in curricular, instructional and administrative functions. Included in this fund is a grant from Illinois World War II Veterans Memorial Association for the creation of a statewide project to capture World War II experiences.

School Improvement – Accounts for the ROE/ISC Operations grant and transactions associated with the operations of the Regional Office of Education.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2009**

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

C. Government-wide and Fund Financial Statements (continued)

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes. The Special Revenue Funds include the following funds:

Education Fund - This fund is used to account for State and federal grant monies received for, and payment of, administering numerous grant awards. The Education Fund includes the following funds:

Truants Alternative and Optional Education Project – This fund is used to account for the grant monies received for, and payment of, providing truancy prevention programming and monitoring truants.

Vocational Adjustment Counselor – This fund is used to account for grant monies received for, and payment of, program costs to provide rehabilitation counseling for individuals in secondary work experience.

Mathematics & Science Partnership – This fund is used to account for administration of monies for the Mathematics & Science Partnership program. The purpose of the grant is to target math and science teachers with content for professional development. This fund also includes the Mathematics & Science Leadership Initiative grant received from Southern Illinois University Edwardsville which provided additional funds for professional development of math and science teachers.

Regional Safe Schools – This fund is used to account for the grant monies received for, and the payment of, local, regional and statewide training opportunities and professional development for faculty and staff.

General State Aid – This fund is used to account for the grant monies received for, and the payment of, additional Regional Safe Schools monies.

American Recovery and Reinvestment Act (ARRA) - General State Aid – This fund is used to account for the American Recovery and Reinvestment Act grant monies received for, and the payment of, additional Regional Safe Schools monies.

Migrant Education – This fund is used to account for grant monies received for, and payment of, outreach services for migrant workers in the Madison County Area.

Title III English Language Learner – This fund is used to account for materials and professional development for ROE staff and teachers that have English Language Learner students in their classrooms.

Title II Teacher Quality – The purpose of this grant is to assist teams of teachers in aligning their curriculum with the Illinois Learning Standards.

State Standards & Assessment – This fund is used to account for administration of the System of Support grant that is administered by the State.



**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2009**

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

C. Government-wide and Fund Financial Statements (continued)

Education Fund (continued)

Title I School Improvement – The purpose of this grant is to conduct targeted assistance with planning, professional development, and data analysis solely with struggling schools eligible to receive service.

Title I Reading First Technical Assistance – This fund is used to account for grant monies received for, and payment of, technical assistance activities for an Early Reading Specialist.

Title I - Reading First Part B SEA – This fund is used to account for the grant monies received for, and payment of, professional development in the area of reading for teachers in Madison County.

McKinney-Vento Homeless Children – This fund is used to account for administration of monies for the education of homeless children in Madison County.

Standards Aligned Classroom – This fund is used to account for administration of monies for Learning Teams involved with the Standards Aligned Classroom Project.

Gifted Education – This fund is used to account for the grant monies received for, and payment of, professional development for, and administration of, gifted programs in schools throughout Madison County.

Teachers & Administrators Mentoring Program – This fund is used to account for the grant monies received for, and payment of, professional development for, and administration of, new teacher mentoring in the Triad and Highland School Districts (pilot program).

Lighthouse Educational Assistance Program – This fund is used to account for administration of an educational facility within a drug rehabilitation center.

Institute – The Institute Fund is authorized by Section 3-12 of the School Code (105 ILCS 5/3-12). All examination, registration and renewal fees are paid into the Institute Fund, which is used to defray administrative expenses incidental to teacher's institutes, workshops, or meetings of a professional nature. All funds remain restricted until expended only on the aforementioned activities.

Educational Therapy Center – This fund is used to account for funds related to the administration of a public day school which provides special education and therapeutic services for behaviorally disordered and emotionally disturbed students. The Educational Therapy Center Fund includes the following funds:

Unemployment Reserve – This fund is used to accumulate resources to be used to pay for unemployment and related expenses should the Educational Therapy Center cease to exist.

Lunch Account Program – This fund is used to account for the State monies received for, and payment of, providing free and reduced priced meals.

Day Program – This fund is used to account for grant monies and local monies received for providing special education and therapeutic services to behaviorally disordered and emotionally disturbed students.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2009**

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

**C. Government-wide and Fund Financial Statements (continued)**

Nonmajor Special Revenue Funds

GED – This fund was established to administer the high school level test of General Educational Development.

Bus Driver Training – This fund is used to account for the issuance of school bus driver permits and to sponsor instructional training courses for school bus drivers.

Supervisory Expense – The Regional Superintendent receives an annual award of \$1,000 from the State Board of Education to pay for travel and meeting expenses.

Administrative – This fund is used to account for reimbursements from other funds for office supplies used by those funds. The fund was also used to pay teacher fees for a Pre-K conference and the fees were reimbursed.

Suspension Temporary Option Program - This fund is used to account for administration of monies associated with the Suspension Temporary Option Program (STOP) serving students in the Collinsville, Highland and Troy School Districts.

Digital Divide – This fund is used to account for the grant monies received for, and payment for, computer training to low-income individuals in the City of Venice and Venice Community Unit District #3.

*Proprietary Fund Types*

Enterprise Funds

Enterprise Funds are used to account for resources from fees charged directly to those entities or individuals that use its services. The Enterprises Funds include the following funds:

Technology Hub Enterprise – This fund is used to account for money received from schools for setup fees for e-mail addresses the County sets up for the schools.

Workshop - This fund is used to account for workshops financed through user fees.

*Fiduciary Fund Type*

Agency Funds

Agency Funds are used to account for assets held by the Madison County Regional Office of Education #41 as an agent for other governments. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency Funds include the following funds:

Teacher Retirement System and Teacher Health Insurance Supplement – This fund is used to collect the retirement contributions and withholdings from all other funds to be paid to the State retirement fund.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2009**

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues associated with the subsequent fiscal period, but received before fiscal year end are reported as deferred revenue.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds.

Under the terms of the grant agreements, the Regional Office of Education #41 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding sources available to finance the program. It is the policy of the Regional Office of Education #41 to first apply cost-reimbursement grant resources to such programs and then general revenues.

Proprietary fund operating revenues, such as charges for fees and services, result from exchange transactions associated with the principle activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary services.

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 guidance of the Governmental Accounting Standards Board (GASB). Under the provisions of GASB No. 20, *Accounting and Financial Reporting for Proprietary Funds and Governmental Entities That Use Proprietary Fund Accounting*, the Regional Office of Education #41 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.

The accounting policies and financial reporting practices of the Regional Office of Education #41 conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units.

E. Fund Equity

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. Special revenue funds are reserved to finance specific functions or activities of each fund.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2009**

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

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as they relate to governmental entities requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

G. Budgetary Data

Overall budgeting is not a legal requirement for the Regional Office of Education. Formal budgets are not adopted for all funds; therefore budgetary comparison schedules are not included in the financial statements.

The Regional Office of Education is the recipient of monies from the Illinois State Board of Education for certain accounts within the general fund and for most accounts in the education fund on which ISBE requires budgetary comparison to actual results. Comparisons of budgeted and actual results for various programs are reported as supplementary information: Technology Hub, School Improvement, Truant's Alternative and Optional Education Project, Vocational Adjustment Counselor, Mathematics & Science Leadership Initiative, Mathematics & Science Partnership, Regional Safe Schools, Migrant Education, Title III English Language Learner, State Standards and Assessment, Title I School Improvement, Title I Reading First Technical Assistance, Title I Reading First Part B SEA, McKinney-Vento Homeless Children, Gifted Education, and Teacher & Administrators Mentoring Program.

H. Capital Assets

Capital assets, such as equipment, are recorded in the applicable governmental or business-type activity columns in the government-wide financial statements. Expenditures for the acquisition are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The costs of capital assets are recorded as expenditures in the acquiring fund at the time of purchase and any proceeds from sales are recorded as receipts at the time of disposal in the governmental funds' statements for governmental activities.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are recorded at estimated fair value in the year received. Capital assets are defined by the Regional Office of Education #41 as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year.

The provision for depreciation on fixed assets is provided on a straight-line basis. Estimated useful lives are as follows:

Equipment	5-10 years
Office equipment	3-7 years

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2009**

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

I. Cash and Cash Equivalents

The Regional Office of Education considers all cash and all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

J. Compensated Absences

All Regional Office employees must use their annual vacation before November 30, and an accrual for this liability as of June 30, 2009 has been provided in the government-wide financial statements.

Accumulated sick pay benefits are available to all full-time employees to use in future years, up to 480 hours. They are eligible to be compensated for these unused sick days after attaining age 55 and employed for eight years. They will be compensated upon retirement only. If terminated, their unused sick days are forfeited. Per GASB Statement 16, we used the Vesting Method to calculate the necessary accrual. Under this method, the liability is measured based on those that are eligible to receive retirement payments and those who are expected to become eligible in future years.

As required by *Government Accounting Standards Board Interpretation 6*, the accrual for unused vacation and sick time is reflected when incurred in the government-wide financial statements, and is reflected in the governmental funds only when the liability is expected to be liquidated with expendable available financial resources.

K. New Accounting Pronouncements

Effective for the year ending June 30, 2009, the Regional Office of Education adopted Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation* and GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. There was no significant impact on the Regional Office of Education's financial statements as a result of adopting GASB Statement No. 49 and No. 52.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2009**

**NOTE 2: CASH AND SAVINGS DEPOSITS**

Cash and savings deposits as of June 30, 2009 are classified in the financial statements as follows:

Total cash and savings deposits	\$1,542,717
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Cash and savings deposits as of June 30, 2009 consist of the following:

Petty cash	\$ 1,830
Deposits with financial institution	1,240,887
Savings deposits	300,000
	\$1,542,717

Cash Deposits

At June 30, 2009, the Regional Office of Education had depository accounts with various local banks. The Regional Office of Education does not have a deposit policy. The accounts are checking and money market accounts with average annual interest rates of 1.02% and 1.96%, respectively, at June 30, 2009.

Cash & Money Market Account Deposits	\$ 1,240,887
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Savings Deposits

At June 30, 2009, the Regional Office of Education #41 had the following savings deposits:

Certificates of Deposit	\$ 300,000
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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 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. Maturities of certificates of deposits are within six months of year end as follows:

<u>Certificate of Deposit</u>	<u>Maturity Date</u>	<u>Fair Value</u>
First Mid-Illinois Bank & Trust	12/19/2009	\$ 100,000
First Mid-Illinois Bank & Trust	12/19/2009	100,000
Premier Bank of Jacksonville	6/30/2009	100,000
		\$ 300,000

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2009**

**NOTE 2: CASH AND SAVINGS DEPOSITS (CONTINUED)**

Credit Risk

The Regional Office of Education 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 has no investment policy that would further limit its investment choices. As of June 30, 2009, the Regional Office of Education was in compliance with these guidelines.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of a financial institution, the Regional Office of Education will not be able to recover its investments or will not be able to recover collateral securities that are in the possession of an outside party. At June 30, 2009, the carrying amount of the Regional Office of Education's cash deposits was \$1,540,887 and the bank balance was \$1,629,356.

	<u>Bank of Edwardsville</u>	<u>First Mid Illinois Bank &amp; Trust</u>	<u>Premier Bank of Jacksonville</u>	<u>Total</u>
Insured	\$ 500,000	\$ 250,000	\$ 250,000	\$ 1,000,000
Collateralized				
Collateral held by pledging bank's trust department in the Regional Office of Education's name	280,837	9,312	339,207	629,356
Uninsured	-	-	-	-
Total deposits	<u>\$ 780,837</u>	<u>\$ 259,312</u>	<u>\$ 589,207</u>	<u>\$ 1,629,356</u>

Concentration of Credit Risk

The Regional Office of Education places no limit on the amount invested in any one issuer. All of the Regional Office of Education's deposits, including the agency fund, are in deposits with The Bank of Edwardsville (\$692,368), First Mid-Illinois Bank & Trust (\$259,312), and Premier Bank of Jacksonville (\$589,207).

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2009**

**NOTE 3: CAPITAL ASSETS**

Capital asset activity for fiscal year 2009 was as follows:

Governmental Activities

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Assets being Depreciated:				
Equipment	\$ 792,923	\$ 109,214	\$ -	\$ 902,137
Less Accumulated Depreciation:	<u>572,952</u>	<u>90,710</u>	<u>-</u>	<u>663,662</u>
Governmental Activity Capital Assets, Net	<u>\$ 219,971</u>	<u>\$ 18,504</u>	<u>\$ -</u>	<u>\$ 238,475</u>

Depreciation was charged to the Instructional Services activity.

Business-type Activities - Enterprise Fund

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Equipment	\$ 8,482	\$ 13,789	\$ -	\$ 22,271
Less Accumulated Depreciation:	<u>2,679</u>	<u>3,649</u>	<u>-</u>	<u>6,328</u>
Business-type Activity Capital Assets, Net	<u>\$ 5,803</u>	<u>\$ 10,140</u>	<u>\$ -</u>	<u>\$ 15,943</u>

**NOTE 4: COMPENSATED ABSENCES**

The ROE records a liability associated with compensated absences. During the fiscal year, the amount in this account decreased by \$6,038. At June 30, 2009, the balance in this account was \$39,237.

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Compensated Absences	<u>\$ 45,275</u>	<u>\$ 12,928</u>	<u>\$ 18,966</u>	<u>\$ 39,237</u>



**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2009**

**NOTE 5: ON-BEHALF PAYMENTS**

Salaries of the Regional Superintendent and the Assistant Regional Superintendent are paid by the State of Illinois, and a significant portion of the operating expenditures of Madison County Regional Office of Education #41 are paid by Madison County, Illinois, in accordance with the statutes. The breakdown of the State and County on-behalf payments for the year ended June 30, 2009 is as follows:

Regional Superintendent Salary	\$ 100,762
Assistant Regional Superintendent Salary	90,686
Regional Superintendent Benefits (Includes State paid insurance)	20,734
Assistant Regional Superintendent Benefits (Includes State paid insurance)	20,082
Teacher Retirement System pension contributions	283,542
Salaries of Office worker's paid by County	497,091
Rent for Office Space	38,880
County share of health insurance	61,401
County retirement contributions	<u>26,864</u>
 Total	 <u>\$ 1,140,042</u>

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

**NOTE 6: INTERFUND TRANSFERS**

No interfund transfers were transacted for the year ended June 30, 2009.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2009**

**NOTE 7: DUE TO/FROM OTHER GOVERNMENTS**

The Regional Office of Education #41's General Fund, Agency Fund and various grant programs have funds due to and from various other governmental units which consist of the following:

Due From Other Governments:

General Fund

Illinois State Board of Education	<u>\$ 414,096</u>
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Education Fund

Illinois State Board of Education	<u>\$ 505,615</u>
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Educational Therapy Center Fund

Illinois State Board of Education	<u>\$ 359</u>
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Due To Other Governments:

General Fund

Illinois State Board of Education	<u>\$ 1,125</u>
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Education Fund

Illinois State Board of Education	<u>\$ 6,433</u>
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Nonmajor Funds

Illinois State Board of Education	<u>\$ 6</u>
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Institute Fund

Illinois State Superintendent of Education	<u>\$ 2,386</u>
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Agency Fund

State of Illinois – TRS & THIS	<u>\$ 6,346</u>
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**NOTE 8: PENSION AND RETIREMENT COMMITMENTS**

Teacher's Retirement System of the State of Illinois

The Regional Office of Education participates in the Teacher's Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2009 was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2008 and 2007.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2009**

**NOTE 8: PENSION AND RETIREMENT COMMITMENTS (CONTINUED)**

Teacher's Retirement System of the State of Illinois (Continued)

In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The employer THIS Fund contribution was 0.63 percent during the year ended June 30, 2009 and the member THIS Fund health insurance contribution was 0.84 percent.

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

- **On-behalf contributions.** The state of Illinois makes employer pension contributions on behalf of the Regional Office of Education. For the year ended June 30, 2009, state of Illinois contributions were based on 17.08 percent of creditable earnings not paid from federal funds, and the Regional Office of Education recognized revenues and expenditures of \$283,542 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2008 and June 30, 2007, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 13.11 percent (\$236,440) and 9.78 percent (\$195,982), respectively.

The state contributions to TRS for the years ended June 30, 2009, and June 30, 2008 were based on an actuarial formula. The state contribution for the year ended June 30, 2007 was based on a dollar amount specified by the statute and were not actuarially determined.

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

- **2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2009 were \$8,518. Contributions for the years ending June 30, 2008, and June 30, 2007, were \$9,295 and \$10,725, 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, there is a statutory requirement for the Regional Office of Education to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2009, the employer pension contribution was 17.08 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2008 and 2007, the employer contribution was 13.11 and 9.78 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2009, salaries totaling \$137,554 were paid from federal and trust funds that required employer contributions of \$23,494. For the years ended June 30, 2008 and June 30, 2007, required Regional Office of Education contributions were \$14,711 and \$10,673, respectively.

- **Early retirement option.** The Regional Office of Education 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 age and salary of the member.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2009**

**NOTE 8: PENSION AND RETIREMENT COMMITMENTS (CONTINUED)**

Teacher's Retirement System of the State of Illinois (Continued)

Under Public Act 94-0004, a "Pipeline ERO" program was provided for members to retire under the same terms as the ERO program that expired on June 30, 2005, provided they met certain conditions and retired on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS.

Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualified for the Pipeline ERO).

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

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

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

For the year ended June 30, 2009, the Regional Office of Education paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2008 and June 30, 2007, there were no employer ERO contributions required.

- **Salary increased over 6 percent and excess sick leave.** Public Act 94-0004 added two additional employer contributions to TRS.
  - If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2009, the Regional Office of Education paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2008 and June 30, 2007, there was no money paid to TRS for employer contributions due on salary increases in excess of 6 percent.

- If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.67 percent of salary during the year ended June 30, 2009).

For the year ended June 30, 2009, the Regional Office of Education paid \$0 to TRS for sick leave days granted in excess of the normal annual allotment. For the year ended June 30, 2008 and June 30, 2007, there were no payments made in employer contributions granted for sick leave days.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2009**

**NOTE 8: PENSION AND RETIREMENT COMMITMENTS (CONTINUED)**

Teacher's Retirement System of the State of Illinois (Continued)

**Further information**

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer, and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2008. The report for the year ended June 30, 2009 is expected to be available in late 2009.

The reports may be obtained by writing to the 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 website at [trs.illinois.gov](http://trs.illinois.gov).

Non-certified employees are paid by, and considered employees of, county government. As such, related retirement obligations associated with these employees are the responsibility of county government.

**NOTE 9: DEFICIT FUND BALANCE**

The following individual fund was found to have a deficit fund balance at June 30, 2009.

Title I School Improvement	\$ 2,700
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This is expected to correct itself in future years through ordinary operations.

**NOTE 10: COMMITMENTS AND CONTINGENCIES**

In the normal course of operations, the Regional Office receives grant funds from various federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Significant losses are covered by the commercial insurance for all major programs: property, liability, and workman's compensation. During the year ended June 30, 2009 there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

**NOTE 11: OPERATING LEASES**

Lease 1: On September 1, 1997, the Regional Office of Education entered into a lease agreement with Madison County Buildings and Lands Committee for rental of the facility at 200 Clay Street, Edwardsville (School Improvement and Technology Hub service center) for one year beginning on September 1, 1997 and terminating on August 31, 1998, with an option for yearly renewals. The current lease requires \$24,000 annually, payable semi-annually. Lease expense for this facility for the year ended June 30, 2009 was \$24,000.

Lease 2: On April 28, 2008, the Regional Office of Education entered into a lease agreement with Triad Community Unit School District No. 2. for rental of the building at 201 Staunton Road, Troy (Freeman School) for one year beginning on August 1, 2008 and terminating July 31, 2009. The lease requires \$35,000 annually with four installments of \$8,750 to be paid August 1, 2008, November 1, 2008, February 1, 2009, and May 1, 2009.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2009**

**NOTE 11: OPERATING LEASES (CONTINUED)**

On June 22, 2009, Madison County Government purchased the (Freeman School) building. Subsequent to year end, on July 1, 2009, the Regional Office of Education entered into a lease agreement with Madison County Government with a term of fifty (50) years commencing on August 1, 2009. The lease requires \$35,000 annually with four installments of \$8,750 to be paid August 1, November 1, February 1, and May 1 of each year for the first seven years. During the eighth year, the lease requires \$10,000 with four installments of \$2,500 to be paid August 1, November 1, February 1, and May 1. For the remaining 42 years, the lease requires \$1.00 annually.

Minimum future rental payments under non-cancelable leases having remaining terms in excess of 1 year as of June 30, 2009 for each of the next applicable years in the aggregate are:

<u>Year Ended June 30,</u>	<u>Amount</u>
2010	\$ 59,000
2011	\$ 35,000
2012	\$ 35,000
2013	\$ 35,000
2014	\$ 35,000
2015-2017	\$ 80,000

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #41  
MADISON COUNTY  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2009**

The following schedules provide additional detail on balances and activities of Regional Office of Education #41 and its operations.

**Major Funds**

The general fund and the education fund are comprised of various fund accounts that provide additional control and information about specific resources and expenditures of these funds. More detailed schedules of the general fund and the education fund have been provided.

**Nonmajor Funds**

Nonmajor governmental funds consist of all special revenue funds which are not included in the education fund. Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. Schedules have been provided for all nonmajor special revenue funds.



**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41  
GENERAL FUND  
COMBINING SCHEDULE OF ACCOUNTS  
June 30, 2009**

	<u>Technology Hub</u>	<u>School Improvement</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ (138,673)	\$ (124,132)	\$ (262,805)
Due from other governments	266,096	148,000	414,096
Accounts receivable	-	6,777	6,777
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<u><u>\$ 127,423</u></u>	<u><u>\$ 30,645</u></u>	<u><u>\$ 158,068</u></u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 100,101	\$ 6,255	\$ 106,356
Due to other governments	15	1,110	1,125
Accrued payroll	6,229	13,162	19,391
Deferred revenue	19,322	1,395	20,717
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	125,667	21,922	147,589
<b>FUND BALANCE</b>			
Fund balance - unreserved	<u>1,756</u>	<u>8,723</u>	<u>10,479</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 127,423</u></u>	<u><u>\$ 30,645</u></u>	<u><u>\$ 158,068</u></u>

See notes to the financial statements and independent auditor's report.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41  
GENERAL FUND ACCOUNTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
For the Year Ended June 30, 2009**

	<b>Technology Hub</b>	<b>School Improvement</b>	<b>Total</b>
<b>REVENUES</b>			
Local revenue	\$ 132,478	\$ 60,712	\$ 193,190
State revenue	452,015	373,455	825,470
Federal revenue	-	-	-
On-behalf revenue	-	1,140,042	1,140,042
Interest	372	85	457
Total Revenues	<u>584,865</u>	<u>1,574,294</u>	<u>2,159,159</u>
<b>EXPENDITURES</b>			
Salaries	204,727	241,184	445,911
Benefits	35,061	35,893	70,954
Purchased services	217,615	123,957	341,572
Supplies and materials	26,479	14,887	41,366
Capital outlay	99,763	10,701	110,464
Other	-	208	208
Payments to other governmental units	1,220	-	1,220
On-behalf payments	-	1,140,042	1,140,042
Total Expenditures	<u>584,865</u>	<u>1,566,872</u>	<u>2,151,737</u>
Revenues over/(under) expenditures	-	7,422	7,422
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	7,422	7,422
Fund Balance, Beginning of year	<u>1,756</u>	<u>1,301</u>	<u>3,057</u>
Fund Balance, End of year	<u>\$ 1,756</u>	<u>\$ 8,723</u>	<u>\$ 10,479</u>

See notes to the financial statements and independent auditor's report.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND ACCOUNTS  
For the Year Ended June 30, 2009**

	Technology Hub			School Improvement			Total		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>									
Local revenue	\$ -	\$ 132,478	\$ 132,478	\$ -	\$ 60,712	\$ 60,712	\$ -	\$ 193,190	\$ 193,190
State revenue	452,018	452,015	(3)	374,576	373,455	(1,121)	826,594	825,470	(1,124)
On-behalf revenue	-	-	-	-	1,140,042	1,140,042	-	1,140,042	1,140,042
Interest	-	372	372	-	85	85	-	457	457
Total revenues	452,018	584,865	132,847	374,576	1,574,294	1,199,718	826,594	2,159,159	1,332,565
<b>EXPENDITURES</b>									
Salaries	194,610	204,727	(10,117)	237,120	241,184	(4,064)	431,730	445,911	(14,181)
Benefits	32,812	35,061	(2,249)	41,880	35,893	5,987	74,692	70,954	3,738
Purchased services	177,066	217,615	(40,549)	71,400	123,957	(52,557)	248,466	341,572	(93,106)
Supplies and materials	8,800	26,479	(17,679)	8,776	14,887	(6,111)	17,576	41,366	(23,790)
Capital outlay	37,230	99,763	(62,533)	10,000	10,701	(701)	47,230	110,464	(63,234)
Other	-	-	-	5,400	208	5,192	5,400	208	5,192
Payments to other governmental units	1,500	1,220	280	-	-	-	1,500	1,220	280
On-behalf payments	-	-	-	-	1,140,042	(1,140,042)	-	1,140,042	(1,140,042)
Total expenditures	452,018	584,865	(132,847)	374,576	1,566,872	(1,192,296)	826,594	2,151,737	(1,325,143)
Revenue over/(under) expenditures	\$ -	-	\$ -	\$ -	7,422	\$ 7,422	\$ -	7,422	\$ 7,422
<b>OTHER FINANCING SOURCES (USES)</b>									
Operating transfers out		-			-			-	
Total other financing (uses)		-			-			-	
Net change in fund balances		-			7,422			7,422	
Fund Balance, Beginning of year		1,756			1,301			3,057	
Fund Balance, End of year		\$ 1,756			\$ 8,723			\$ 10,479	

See notes to the financial statements and independent auditor's report.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41**  
**EDUCATION FUND**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**June 30, 2009**

<b>ASSETS</b>	<b>Truants Alternative &amp; Optional Education Project</b>	<b>Vocational Adjustment Counselor</b>	<b>Mathematics &amp; Science Partnership</b>	<b>Regional Safe Schools</b>	<b>General State Aid</b>	<b>American Recovery &amp; Reinvestment Act - General State Aid</b>	<b>Migrant Education</b>	<b>Title III English Language Learner</b>	<b>Title II Teacher Quality</b>
Cash and savings deposits (overdrafts)	\$ (15,955)	\$ (11,403)	\$ 736	\$ (147,728)	\$ 646,484	\$ -	\$ 18	\$ (574)	\$ -
Due from other governments	19,466	43,872	-	173,254	-	-	-	1,619	-
<b>Total Assets</b>	<b>\$ 3,511</b>	<b>\$ 32,469</b>	<b>\$ 736</b>	<b>\$ 25,526</b>	<b>\$ 646,484</b>	<b>\$ -</b>	<b>\$ 18</b>	<b>\$ 1,045</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCE</b>									
<b>LIABILITIES</b>									
Accounts payable	\$ -	\$ 3,991	\$ -	\$ 3,736	\$ 6,764	\$ -	\$ -	\$ -	\$ -
Accrued payroll	3,451	4,106	-	11,880	25,286	-	-	-	-
Due to other governments	12	-	736	50	60	-	18	1,045	-
Deferred revenue	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>3,463</b>	<b>8,097</b>	<b>736</b>	<b>15,666</b>	<b>32,110</b>	<b>-</b>	<b>18</b>	<b>1,045</b>	<b>-</b>
<b>FUND BALANCE</b>									
Fund Balance - Unreserved	48	24,372	-	9,860	614,374	-	-	-	-
<b>Total Liabilities and Fund Balance (Deficit)</b>	<b>\$ 3,511</b>	<b>\$ 32,469</b>	<b>\$ 736</b>	<b>\$ 25,526</b>	<b>\$ 646,484</b>	<b>\$ -</b>	<b>\$ 18</b>	<b>\$ 1,045</b>	<b>\$ -</b>

See notes to the financial statements and independent auditor's report.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41**  
**EDUCATION FUND**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**June 30, 2009**

<b>ASSETS</b>	<b>State Standards &amp; Assessment</b>	<b>Title I School Improvement</b>	<b>Title I Reading First Technical Assistance</b>	<b>Title I Reading First Part B SEA</b>	<b>McKinney- Vento Homeless Children</b>	<b>Standards Aligned Classroom</b>	<b>Gifted Education</b>	<b>Teacher &amp; Administrators Mentoring Program</b>	<b>Total</b>
Cash and savings deposits (overdrafts)	\$ 833	\$ (33,303)	\$ (5,720)	\$ (40,668)	\$ 17,332	\$ 3,276	\$ -	\$ (234)	\$ 413,094
Due from other governments	-	33,274	6,920	47,102	-	-	122,584	57,524	505,615
Total Assets	<u>\$ 833</u>	<u>\$ (29)</u>	<u>\$ 1,200</u>	<u>\$ 6,434</u>	<u>\$ 17,332</u>	<u>\$ 3,276</u>	<u>\$ 122,584</u>	<u>\$ 57,290</u>	<u>\$ 918,709</u>
<b>LIABILITIES AND FUND BALANCE</b>									
<b>LIABILITIES</b>									
Accounts payable	\$ -	\$ 423	\$ 982	\$ 4,476	\$ -	\$ -	\$ -	\$ -	\$ 20,372
Accrued payroll	440	2,203	94	1,692	-	-	1,442	381	50,975
Due to other governments	393	-	124	266	453	3,276	-	-	6,433
Deferred revenue	-	45	-	-	16,879	-	121,142	56,909	194,975
Total liabilities	<u>833</u>	<u>2,671</u>	<u>1,200</u>	<u>6,434</u>	<u>17,332</u>	<u>3,276</u>	<u>122,584</u>	<u>57,290</u>	<u>272,755</u>
<b>FUND BALANCE</b>									
Fund Balance - Unreserved	<u>-</u>	<u>(2,700)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>645,954</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 833</u>	<u>\$ (29)</u>	<u>\$ 1,200</u>	<u>\$ 6,434</u>	<u>\$ 17,332</u>	<u>\$ 3,276</u>	<u>\$ 122,584</u>	<u>\$ 57,290</u>	<u>\$ 918,709</u>

See notes to the financial statements and independent auditor's report.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41**  
**EDUCATION FUND ACCOUNTS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2009**

	<b>Truants Alternative &amp; Optional Education Project</b>	<b>Vocational Adjustment Counselor</b>	<b>Mathematics &amp; Science Partnership</b>	<b>Regional Safe Schools</b>	<b>General State Aid</b>	<b>American Recovery &amp; Act - General State Aid</b>	<b>Migrant Education</b>	<b>Title III English Language Learner</b>	<b>Title II Teacher Quality</b>
<b>REVENUES</b>									
Local revenue	\$ -	\$ 68,891	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State revenue	64,875	15,455	-	381,131	211,569	-	-	-	-
Federal revenue	-	116,569	79,033	-	-	62,546	10,195	6,000	4,500
Interest	1	52	100	2	5,629	-	100	-	-
Total revenues	<u>64,876</u>	<u>200,967</u>	<u>79,133</u>	<u>381,133</u>	<u>217,198</u>	<u>62,546</u>	<u>10,295</u>	<u>6,000</u>	<u>4,500</u>
<b>EXPENDITURES</b>									
Salaries	53,149	154,566	9,343	296,836	88,188	62,546	3,801	300	3,461
Benefits	10,473	34,785	1,293	40,988	10,606	-	210	-	-
Purchased services	1,254	13,775	63,373	43,309	37,408	-	6,284	4,004	975
Supplies and materials	-	415	5,124	-	29,335	-	-	1,696	64
Capital outlay	-	-	-	-	11,439	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Payments to other governmental units	-	-	-	-	-	-	-	-	-
Total expenditures	<u>64,876</u>	<u>203,541</u>	<u>79,133</u>	<u>381,133</u>	<u>176,976</u>	<u>62,546</u>	<u>10,295</u>	<u>6,000</u>	<u>4,500</u>
Revenue over (under) expenditures	-	(2,574)	-	-	40,222	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	(2,574)	-	-	40,222	-	-	-	-
Fund Balance (Deficit), Beginning of year	48	26,946	-	9,860	574,152	-	-	-	-
Fund Balance (Deficit), End of year	<u>\$ 48</u>	<u>\$ 24,372</u>	<u>\$ -</u>	<u>\$ 9,860</u>	<u>\$ 614,374</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to the financial statements and independent auditor's report.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41**  
**EDUCATION FUND ACCOUNTS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2009**

	State Standards & Assessment	Title I School Improvement	Title I Reading First Technical Assistance	Title I Reading First Part B SEA	McKinney- Vento Homeless Children	Standards Aligned Classroom	Gifted Education	Teachers & Administrators Mentoring Program	Total
<b>REVENUES</b>									
Local revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,891
State revenue	(276)	-	-	-	-	-	1,442	615	674,811
Federal revenue	-	240,172	16,482	158,746	18,560	-	-	-	712,803
Interest	-	-	100	100	1	-	-	-	6,085
Total revenues	<u>(276)</u>	<u>240,172</u>	<u>16,582</u>	<u>158,846</u>	<u>18,561</u>	<u>-</u>	<u>1,442</u>	<u>615</u>	<u>1,462,590</u>
<b>EXPENDITURES</b>									
Salaries	4,840	185,867	7,856	64,208	2,000	-	1,442	381	938,784
Benefits	125	37,627	1,984	18,373	-	-	-	-	156,464
Purchased services	96	16,678	2,986	62,513	15,098	-	-	-	267,753
Supplies and materials	-	-	3,756	13,752	1,463	-	-	234	55,839
Capital outlay	-	-	-	-	-	-	-	-	11,439
Other	-	-	-	-	-	-	-	-	-
Payments to other governmental units	-	-	-	-	-	2,021	-	-	2,021
Total expenditures	<u>5,061</u>	<u>240,172</u>	<u>16,582</u>	<u>158,846</u>	<u>18,561</u>	<u>2,021</u>	<u>1,442</u>	<u>615</u>	<u>1,432,300</u>
Revenue over (under) expenditures	<u>(5,337)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,021)</u>	<u>-</u>	<u>-</u>	<u>30,290</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(5,337)	-	-	-	-	(2,021)	-	-	30,290
Fund Balance (Deficit), Beginning of year	5,337	(2,700)	-	-	-	2,021	-	-	615,664
Fund Balance (Deficit), End of year	<u>\$ -</u>	<u>\$ (2,700)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 645,954</u>

See notes to the financial statements and independent auditor's report.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**For the Year Ended June 30, 2009**

	<u>Truants Alternative / Optional Education Project</u>			<u>Vocational Adjustment Counselor</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>						
Local revenue	\$ -	\$ -	\$ -	\$ -	\$ 68,891	\$ 68,891
State revenue	64,875	64,875	-	-	15,455	15,455
Federal revenue	-	-	-	116,569	116,569	-
Interest	-	1	1	-	52	52
Total revenues	<u>64,875</u>	<u>64,876</u>	<u>1</u>	<u>116,569</u>	<u>200,967</u>	<u>84,398</u>
<b>EXPENDITURES</b>						
Salaries	53,149	53,149	-	70,433	154,566	(84,133)
Benefits	10,472	10,473	(1)	38,386	34,785	3,601
Purchased services	1,254	1,254	-	7,750	13,775	(6,025)
Supplies and materials	-	-	-	-	415	(415)
Capital outlay	-	-	-	-	-	-
Other	-	-	-	-	-	-
Payments to other governmental units	-	-	-	-	-	-
Total expenditures	<u>64,875</u>	<u>64,876</u>	<u>(1)</u>	<u>116,569</u>	<u>203,541</u>	<u>(86,972)</u>
Revenue over (under) expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,574)</u>	<u>\$ (2,574)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in		-			-	
Transfers out		-			-	
Total other financing sources (uses)		<u>-</u>			<u>-</u>	
Net change in fund balances		-			(2,574)	
Fund Balance, Beginning of year		<u>48</u>			<u>26,946</u>	
Fund Balance (Deficit), End of year		<u>\$ 48</u>			<u>\$ 24,372</u>	

See notes to the financial statements and independent auditor's report.



**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**For the Year Ended June 30, 2009**

	<b>Mathematics &amp; Science Leadership Initiative</b>			<b>Mathematics &amp; Science Partnership (2008)</b>			
	<b>Budget</b>	<b>July 1, 2008- June 30, 2009 Actual</b>	<b>Variance Positive (Negative)</b>	<b>Budget</b>	<b>July 1, 2007- June 30, 2008 Actual</b>	<b>July 1, 2008- June 30, 2009 Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>							
Local revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State revenue	-	-	-	-	-	-	-
Federal revenue	6,488	6,488	-	224,803	118,693	72,545	(33,565)
Interest	-	-	-	-	-	100	100
Total revenues	<u>6,488</u>	<u>6,488</u>	<u>-</u>	<u>224,803</u>	<u>118,693</u>	<u>72,645</u>	<u>(33,465)</u>
<b>EXPENDITURES</b>							
Salaries	-	-	-	14,756	3,561	9,343	1,852
Benefits	-	-	-	2,385	424	1,293	668
Purchased services	6,488	6,488	-	190,362	104,473	56,885	29,004
Supplies and materials	-	-	-	16,500	9,476	5,124	1,900
Capital outlay	-	-	-	800	759	-	41
Other	-	-	-	-	-	-	-
Payments to other governmental units	-	-	-	-	-	-	-
Total expenditures	<u>6,488</u>	<u>6,488</u>	<u>-</u>	<u>224,803</u>	<u>118,693</u>	<u>72,645</u>	<u>33,465</u>
Revenue over (under) expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in		-			-	-	
Transfers out		-			-	-	
Total other financing sources (uses)		<u>-</u>			<u>-</u>	<u>-</u>	
Net change in fund balances		-			-	-	
Fund Balance, Beginning of year		<u>-</u>			<u>-</u>	<u>-</u>	
Fund Balance (Deficit), End of year		<u>\$ -</u>			<u>\$ -</u>	<u>\$ -</u>	

See notes to the financial statements and independent auditor's report.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**For the Year Ended June 30, 2009**

	<u>Regional Safe Schools</u>			<u>Migrant Education (2008-01)</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>July 1, 2007- June 30, 2008 Actual</u>	<u>July 1, 2008- June 30, 2009 Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>							
Local revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State revenue	381,148	381,131	(17)	-	-	-	-
Federal revenue	-	-	-	14,386	2,819	10,195	(1,372)
Interest	-	2	2	-	-	100	100
<b>Total revenues</b>	<u>381,148</u>	<u>381,133</u>	<u>(15)</u>	<u>14,386</u>	<u>2,819</u>	<u>10,295</u>	<u>(1,272)</u>
<b>EXPENDITURES</b>							
Salaries	296,836	296,836	-	6,422	1,750	3,801	871
Benefits	41,003	40,988	15	327	188	210	(71)
Purchased services	43,309	43,309	-	6,637	629	6,284	(276)
Supplies and materials	-	-	-	1,000	252	-	748
Capital outlay	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Payments to other governmental units	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>381,148</u>	<u>381,133</u>	<u>15</u>	<u>14,386</u>	<u>2,819</u>	<u>10,295</u>	<u>1,272</u>
Revenue over (under) expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in		-			-	-	
Transfers out		-			-	-	
<b>Total other financing sources (uses)</b>		<u>-</u>			<u>-</u>	<u>-</u>	
Net change in fund balances		-			-	-	
Fund Balance, Beginning of year		<u>9,860</u>			<u>-</u>	<u>-</u>	
Fund Balance (Deficit), End of year		<u>\$ 9,860</u>			<u>\$ -</u>	<u>\$ -</u>	

See notes to the financial statements and independent auditor's report.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**For the Year Ended June 30, 2009**

	Title III English Language Learner			State Standards & Assessment			
	Budget	Actual	Variance Positive (Negative)	Budget	July 1, 2006- June 30, 2008 Actual	July 1, 2008- June 30, 2009 Actual	Variance Positive (Negative)
<b>REVENUES</b>							
Local revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State revenue	-	-	-	95,570	59,142	(276)	(36,704)
Federal revenue	6,000	6,000	-	-	-	-	-
Interest	-	-	-	-	120	-	120
Total revenues	6,000	6,000	-	95,570	59,262	(276)	(36,584)
<b>EXPENDITURES</b>							
Salaries	300	300	-	95,570	50,428	4,840	40,302
Benefits	-	-	-	-	4,173	125	(4,298)
Purchased services	4,000	4,004	(4)	-	1,176	96	(1,272)
Supplies and materials	1,700	1,696	4	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Payments to other governmental units	-	-	-	-	-	-	-
Total expenditures	6,000	6,000	-	95,570	55,777	5,061	34,732
Revenue over (under) expenditures	\$ -	-	\$ -	\$ -	3,485	(5,337)	\$ (1,852)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	3,485	(5,337)	-
Fund Balance, Beginning of year	-	-	-	-	1,852	5,337	-
Fund Balance (Deficit), End of year	\$ -	-	-	\$ -	5,337	-	-

See notes to the financial statements and independent auditor's report.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**For the Year Ended June 30, 2009**

	Title I School Improvement (FY 2009)			Title I School Improvement (FY 2008)			
	Budget	Actual	Variance Positive (Negative)	Budget	July 1, 2007- June 30, 2008 Actual	July 1, 2008- June 30, 2009 Actual	Variance Positive (Negative)
<b>REVENUES</b>							
Local revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State revenue	-	-	-	-	-	-	-
Federal revenue	240,000	188,315	(51,685)	200,602	61,180	51,857	(87,565)
Interest	-	-	-	-	-	-	-
Total revenues	<u>240,000</u>	<u>188,315</u>	<u>(51,685)</u>	<u>200,602</u>	<u>61,180</u>	<u>51,857</u>	<u>(87,565)</u>
<b>EXPENDITURES</b>							
Salaries	240,000	144,973	95,027	200,602	50,253	40,894	109,455
Benefits	-	27,084	(27,084)	-	9,125	10,543	(19,668)
Purchased services	-	16,258	(16,258)	-	2,372	420	(2,792)
Supplies and materials	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Payments to other governmental units	-	-	-	-	-	-	-
Total expenditures	<u>240,000</u>	<u>188,315</u>	<u>51,685</u>	<u>200,602</u>	<u>61,750</u>	<u>51,857</u>	<u>86,995</u>
Revenue over (under) expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(570)</u>	<u>-</u>	<u>\$ (570)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in		-			-	-	
Transfers out		-			-	-	
Total other financing sources (uses)		<u>-</u>			<u>-</u>	<u>-</u>	
Net change in fund balances		-			(570)	-	
Fund Balance, Beginning of year		<u>-</u>			<u>(2,130)</u>	<u>(2,700)</u>	
Fund Balance (Deficit), End of year		<u>\$ -</u>			<u>\$ (2,700)</u>	<u>\$ (2,700)</u>	

See notes to the financial statements and independent auditor's report.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2009**

	<u>Title I -Reading First Technical Assistance</u>			<u>Title I - Reading First Part B SEA (2009)</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES						
Local revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State revenue	-	-	-	-	-	-
Federal revenue	16,500	16,482	(18)	116,001	115,959	(42)
Interest	-	100	100	-	100	100
Total revenues	<u>16,500</u>	<u>16,582</u>	<u>82</u>	<u>116,001</u>	<u>116,059</u>	<u>58</u>
EXPENDITURES						
Salaries	7,856	7,856	-	55,147	55,147	-
Benefits	1,984	1,984	-	15,987	16,275	(288)
Purchased services	2,986	2,986	-	33,057	31,795	1,262
Supplies and materials	3,674	3,756	(82)	11,810	12,842	(1,032)
Capital outlay	-	-	-	-	-	-
Other	-	-	-	-	-	-
Payments to other governmental units	-	-	-	-	-	-
Total expenditures	<u>16,500</u>	<u>16,582</u>	<u>(82)</u>	<u>116,001</u>	<u>116,059</u>	<u>(58)</u>
Revenue over (under) expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)						
Transfers in		-			-	
Transfers out		-			-	
Total other financing sources (uses)		<u>-</u>			<u>-</u>	
Net change in fund balances		-			-	
Fund Balance, Beginning of year		<u>-</u>			<u>-</u>	
Fund Balance (Deficit), End of year		<u>\$ -</u>			<u>\$ -</u>	

See notes to the financial statements and independent auditor's report.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2009**

	<b>Title I - Reading First Part B SEA (2008)</b>				<b>McKinney - Vento Homeless Children</b>		
	<b>Budget</b>	<b>July 1, 2007- June 30, 2008 Actual</b>	<b>July 1, 2008- June 30, 2009 Actual</b>	<b>Variance Positive (Negative)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>							
Local revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State revenue	-	-	-	-	-	-	-
Federal revenue	237,866	191,558	42,787	(3,521)	35,439	18,560	(16,879)
Interest	-	42	-	42	-	1	1
<b>Total revenues</b>	<b>237,866</b>	<b>191,600</b>	<b>42,787</b>	<b>(3,479)</b>	<b>35,439</b>	<b>18,561</b>	<b>(16,878)</b>
<b>EXPENDITURES</b>							
Salaries	57,345	54,662	9,061	(6,378)	11,000	2,000	9,000
Benefits	12,744	12,286	2,098	(1,640)	-	-	-
Purchased services	144,221	97,766	30,718	15,737	11,115	15,098	(3,983)
Supplies and materials	21,556	24,600	910	(3,954)	13,324	1,463	11,861
Capital outlay	2,000	2,286	-	(286)	-	-	-
Other	-	-	-	-	-	-	-
Payments to other governmental units	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>237,866</b>	<b>191,600</b>	<b>42,787</b>	<b>3,479</b>	<b>35,439</b>	<b>18,561</b>	<b>16,878</b>
Revenue over (under) expenditures	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in		-	-			-	
Transfers out		-	-			-	
<b>Total other financing sources (uses)</b>		<b>-</b>	<b>-</b>			<b>-</b>	
Net change in fund balances		-	-			-	
Fund Balance, Beginning of year		-	-			-	
Fund Balance (Deficit), End of year		<b>\$ -</b>	<b>\$ -</b>			<b>\$ -</b>	

See notes to the financial statements and independent auditor's report.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**For the Year Ended June 30, 2009**

	<u>Gifted Education</u>			<u>Teacher &amp; Administrators Mentoring Program</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>						
Local revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State revenue	122,584	1,442	(121,142)	57,524	615	(56,909)
Federal revenue	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total revenues	<u>122,584</u>	<u>1,442</u>	<u>(121,142)</u>	<u>57,524</u>	<u>615</u>	<u>(56,909)</u>
<b>EXPENDITURES</b>						
Salaries	49,100	1,442	47,658	8,000	381	7,619
Benefits	3,783	-	3,783	1,074	-	1,074
Purchased services	54,101	-	54,101	34,650	-	34,650
Supplies and materials	15,600	-	15,600	13,800	234	13,566
Capital outlay	-	-	-	-	-	-
Other	-	-	-	-	-	-
Payments to other governmental units	-	-	-	-	-	-
Total expenditures	<u>122,584</u>	<u>1,442</u>	<u>121,142</u>	<u>57,524</u>	<u>615</u>	<u>56,909</u>
Revenue over (under) expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in		-			-	
Transfers out		-			-	
Total other financing sources (uses)		<u>-</u>			<u>-</u>	
Net change in fund balances		-			-	
Fund Balance, Beginning of year		<u>-</u>			<u>-</u>	
Fund Balance (Deficit), End of year		<u>\$ -</u>			<u>\$ -</u>	

See notes to the financial statements and independent auditor's report.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41**  
**EDUCATIONAL THERAPY CENTER FUND**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**June 30, 2009**

	<b>Unemployment Reserve</b>	<b>Lunch Account Program</b>	<b>Day Program</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and savings deposits	\$ 167,223	\$ 20,640	\$ 58,146	\$ 246,009
Accounts receivable	-	-	4,097	4,097
Due from other governments	-	359	-	359
<b>TOTAL ASSETS</b>	<b>\$ 167,223</b>	<b>\$ 20,999</b>	<b>\$ 62,243</b>	<b>\$ 250,465</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 14,709	\$ 14,709
Accrued payroll	-	-	39,598	39,598
Total liabilities	-	-	54,307	54,307
<b>FUND BALANCE</b>				
Fund balance - unreserved	167,223	20,999	7,936	196,158
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 167,223</b>	<b>\$ 20,999</b>	<b>\$ 62,243</b>	<b>\$ 250,465</b>

See notes to the financial statements and independent auditor's report.



**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41  
EDUCATIONAL THERAPY CENTER FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2009**

	<b>Unemployment Reserve</b>	<b>Lunch Account Program</b>	<b>Day Program</b>	<b>Total</b>
<b>REVENUES</b>				
Local revenue	\$ -	\$ 4,365	\$ 486,004	\$ 490,369
State revenue	-	900	-	900
Federal revenue	-	14,800	-	14,800
Interest	4,368	323	5	4,696
Total revenues	<u>4,368</u>	<u>20,388</u>	<u>486,009</u>	<u>510,765</u>
<b>EXPENDITURES</b>				
Salaries	-	-	337,693	337,693
Benefits	-	-	69,017	69,017
Purchased services	-	22,174	2,157	24,331
Supplies and materials	-	-	4,666	4,666
Other	-	-	-	-
Total expenditures	<u>-</u>	<u>22,174</u>	<u>413,533</u>	<u>435,707</u>
Revenue over (under) expenditures	4,368	(1,786)	72,476	75,058
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,368	(1,786)	72,476	75,058
Fund Balance, Beginning of year	<u>162,855</u>	<u>22,785</u>	<u>(64,540)</u>	<u>121,100</u>
Fund Balance, End of year	<u>\$ 167,223</u>	<u>\$ 20,999</u>	<u>\$ 7,936</u>	<u>\$ 196,158</u>

See notes to the financial statements and independent auditor's report.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
June 30, 2009**

ASSETS	GED	Bus Driver Training	Supervisory Expense	Admini- strative	Suspension Temporary Option Program	Digital Divide	TOTALS
Cash and savings deposits	\$ 21,769	\$ 480	\$ 6	\$ 41,382	\$ 9,508	\$ -	\$ 73,145
Accounts receivable	-	-	-	1,250	-	48,000	49,250
<b>TOTAL ASSETS</b>	<b>\$ 21,769</b>	<b>\$ 480</b>	<b>\$ 6</b>	<b>\$ 42,632</b>	<b>\$ 9,508</b>	<b>\$ 48,000</b>	<b>\$ 122,395</b>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 133	\$ -	\$ -	\$ 268	\$ -	\$ -	\$ 401
Due to other governments	-	-	6	-	-	-	6
Accrued payroll	-	-	-	-	675	-	675
Deferred revenue	-	-	-	-	-	48,000	48,000
<b>Total liabilities</b>	<b>133</b>	<b>-</b>	<b>6</b>	<b>268</b>	<b>675</b>	<b>48,000</b>	<b>49,082</b>
<b>FUND BALANCE</b>							
Fund balance (deficit) - unreserved	21,636	480	-	42,364	8,833	-	73,313
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 21,769</b>	<b>\$ 480</b>	<b>\$ 6</b>	<b>\$ 42,632</b>	<b>\$ 9,508</b>	<b>\$ 48,000</b>	<b>\$ 122,395</b>

See notes to the financial statements and independent auditor's report.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended June 30, 2009**

	<b>GED</b>	<b>Bus Driver Training</b>	<b>Supervisory Expense</b>	<b>Admini- strative</b>	<b>Suspension Temporary Option Program</b>	<b>Digital Divide</b>	<b>TOTAL</b>
<b>REVENUES</b>							
Local revenue	\$ 26,872	\$ 3,560	\$ -	\$ 6,416	\$ 10,434	\$ -	\$ 47,282
State revenue	1,615	2,027	1,000	-	-	-	4,642
Federal revenue	-	-	-	-	-	-	-
Interest	253	8	-	913	28	-	1,202
Total revenues	<u>28,740</u>	<u>5,595</u>	<u>1,000</u>	<u>7,329</u>	<u>10,462</u>	<u>-</u>	<u>53,126</u>
<b>EXPENDITURES</b>							
Salaries	-	-	-	-	674	-	674
Benefits	385	27	-	-	236	-	648
Purchased services	16,149	4,543	1,000	54,459	300	-	76,451
Supplies and materials	4,658	335	-	1,940	419	-	7,352
Capital outlay	-	-	-	-	-	-	-
Other	-	-	-	3,399	-	-	3,399
Total expenditures	<u>21,192</u>	<u>4,905</u>	<u>1,000</u>	<u>59,798</u>	<u>1,629</u>	<u>-</u>	<u>88,524</u>
Revenue over (under) expenditures	<u>7,548</u>	<u>690</u>	<u>-</u>	<u>(52,469)</u>	<u>8,833</u>	<u>-</u>	<u>(35,398)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	7,548	690	-	(52,469)	8,833	-	(35,398)
Fund Balance, Beginning of year	<u>14,088</u>	<u>(210)</u>	<u>-</u>	<u>94,833</u>	<u>-</u>	<u>-</u>	<u>108,711</u>
Fund Balance, End of year	<u>\$ 21,636</u>	<u>\$ 480</u>	<u>\$ -</u>	<u>\$ 42,364</u>	<u>\$ 8,833</u>	<u>\$ -</u>	<u>\$ 73,313</u>

See notes to the financial statements and independent auditor's report.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended June 30, 2009**

<b><u>TRS &amp; THIS Fund</u></b>	<b><u>Balance July 1, 2008</u></b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b><u>Balance June 30, 2009</u></b>
<b>ASSETS</b>				
Cash	\$ 2,436	\$ 164,212	\$ 160,389	\$ 6,259
Accounts receivable	<u>64</u>	<u>87</u>	<u>64</u>	<u>87</u>
Total assets	<u>\$ 2,500</u>	<u>\$ 164,299</u>	<u>\$ 160,453</u>	<u>\$ 6,346</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 2,500</u>	<u>\$ 164,298</u>	<u>\$ 160,452</u>	<u>\$ 6,346</u>

See notes to the financial statements and independent auditor's report.

**SINGLE AUDIT SECTION**

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2009**

<b>Federal Grantor/Pass-Through Grantor, Program Title &amp; Major Program Designation</b>	<b>CFDA Number</b>	<b>Project Number</b>	<b>Federal Expenditures 7/1/08- 6/30/2009</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed through Illinois State Board of Education:</i>			
Title I - Migrant Education	84.011	08-4340-01	10,195
Title I - Reading First Part B SEA Funds (M)		08-4337-00	42,787
Title I - Reading First Part B SEA Funds (M)		09-4337-00	115,959
Title I - Reading First Part B SEA Funds (M)		09-4337-04	16,482
	84.357		<u>175,228</u>
American Recovery and Reinvestment Act (ARRA) - General State Aid - Sec 18-8 (M)	84.394	09-4850-93	<u>62,546</u>
Title III - English Language Learner (Other Federal Programs)	84.365	09-4999-PD	<u>6,000</u>
Mathematics and Science Partnership		08-4936-01	72,545
<i>Passed through Southern Illinois University</i>			
Mathematics and Science Leadership Initiative		6-23459	<u>6,488</u>
	84.366		<u>79,033</u>
<i>Passed through Bond/Fayette/Effingham Counties Regional Office of Education #3:</i>			
Title II Teacher Quality	84.367	09-4932-00	<u>4,500</u>
<i>Passed through St Clair County Regional Office of Education #50:</i>			
Title I School Improvement and Accountability (M)		08-4331-SS	51,857
Title I School Improvement and Accountability (M)		09-4331-SS	188,315
	84.010		<u>240,172</u>
<i>Passed through Bond/Fayette/Effingham Counties Regional Office of Education #3:</i>			
McKinney-Vento Homeless Children & Youth Program	84.196	09-4920-00	<u>18,560</u>
<i>Passed through Illinois Department of Human Services (IDHS):</i>			
Vocational Adjustment Counselor	84.126	40C9001436	<u>116,569</u>
Total U.S. Department of Education			<u><u>\$ 712,803</u></u>

The accompanying notes are an integral part of this schedule.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2009**

<b>Federal Grantor/Pass-Through Grantor, Program Title &amp; Major Program Designation</b>	<b>CFDA Number</b>	<b>Project Number</b>	<b>Federal Expenditures 7/1/08- 6/30/2009</b>
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed through Illinois State Board of Education</i>			
School Breakfast Program		08-4220-00	563
		09-4220-00	3,582
	10.553		<u>4,145</u>
National School Lunch Program		08-4210-00	1,501
		09-4210-00	9,154
	10.555		<u>10,655</u>
Total U.S. Department of Agriculture			<u>\$ 14,800</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 727,603</u></u>

(M) Program was audited as a major program

The accompanying notes are an integral part of this schedule.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION #41  
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2009**

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

**BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Madison County Regional Office of Education #41 and is prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented on this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2: SUBRECIPIENTS**

Of the federal expenditures presented in the schedule, the Regional Office of Education provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Amounts Provided to Recipients</u>
Math and Science Partnership Southern Illinois University Edwardsville	84.366	\$ 18,660

**NOTE 3: DESCRIPTION OF MAJOR FEDERAL PROGRAMS**

American Recovery and Reinvestment Act (ARRA) – General State Aid

The purpose of this grant was to provide additional funding for Regional Safe Schools.

Title I – Reading First Part B SEA Funds

This fund is used to account for grant monies received for, and payment of, professional development in the area of reading for teachers in Madison County.

Title I – School Improvement and Accountability

The purpose of this grant is to conduct targeted assistance with planning, professional development, and data analysis solely with struggling schools eligible to receive service.

**NOTE 4 - NON-CASH ASSISTANCE**

Madison County Regional Office of Education #41 did not receive any federal non-cash assistance.

**NOTE 5 - LOANS AND INSURANCE**

There were no federal awards received or disbursed by the Madison County Regional Office of Education for the purpose of loans or insurance.