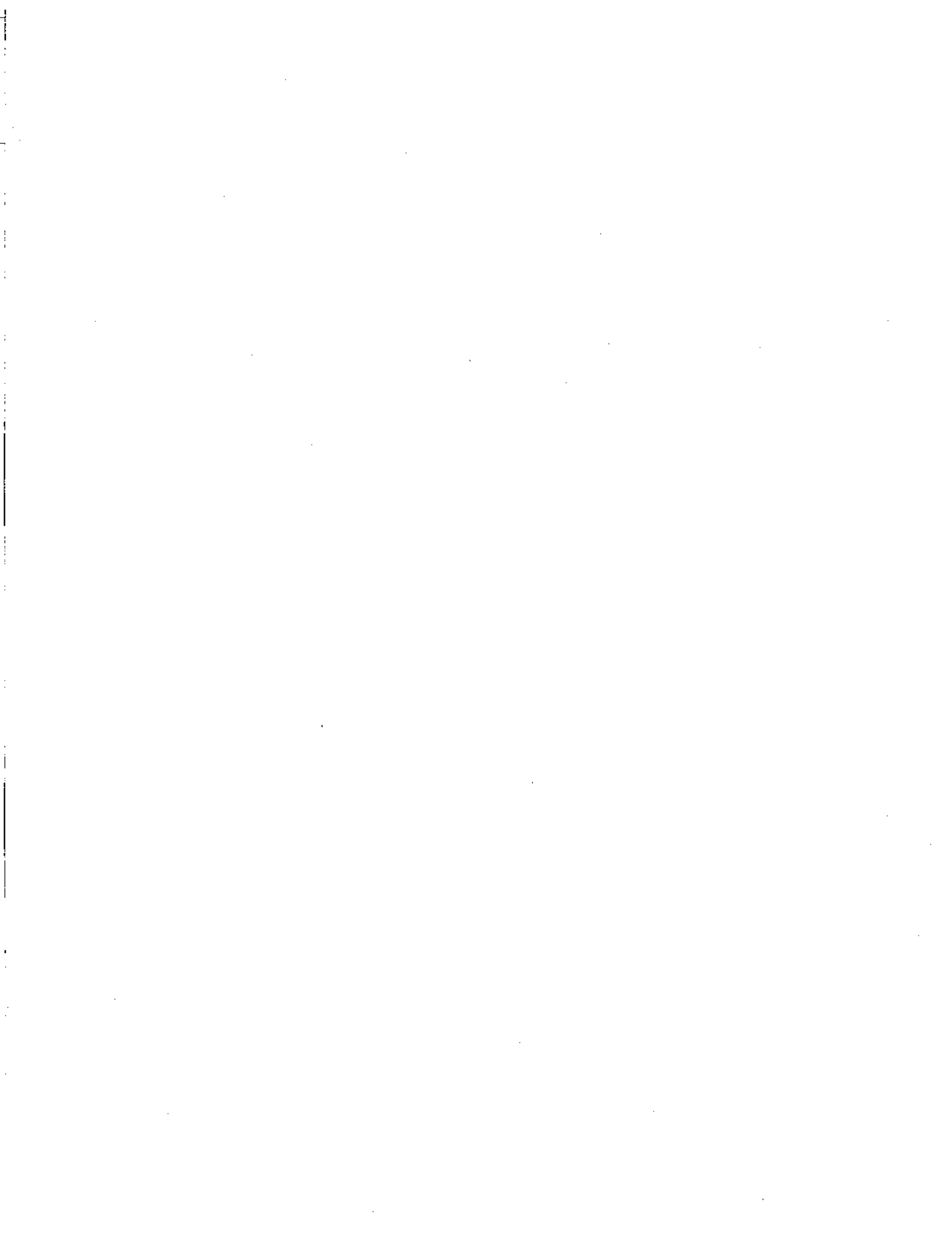


**State of Illinois
REGIONAL OFFICE OF EDUCATION #39**

**FINANCIAL AUDIT
(In Accordance with the Single Audit Act
and OMB Circular A-133)
For the year ended June 30, 2007**

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



MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

TABLE OF CONTENTS

	<u>Page(s)</u>
OFFICIALS	1
COMPLIANCE REPORT SUMMARY	2-3
FINANCIAL STATEMENT REPORT SUMMARY	4
INDEPENDENT AUDITORS' REPORT.....	5-6
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	7-8
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH <i>OMB CIRCULAR A-133</i>	9-10
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	11-14
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS.....	15
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	16A-16F
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Assets.....	17
Statement of Activities	18
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities - Governmental Funds.....	22

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

TABLE OF CONTENTS
(Continued)

	<u>Page(s)</u>
BASIC FINANCIAL STATEMENTS: (Continued)	
Fund Financial Statements: (Continued)	
Statement of Net Assets - Proprietary Funds.....	23
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds.....	24
Statement of Cash Flows - Proprietary Funds.....	25
Statement of Fiduciary Net Assets - Fiduciary Funds.....	26
Notes to Financial Statements.....	27-51
REQUIRED SUPPLEMENTARY INFORMATION:	
Illinois Municipal Retirement Fund - Schedule of Funding Progress.....	52
SUPPLEMENTAL INFORMATION:	
General Fund:	
Combining Schedules:	
Combining Schedule of Accounts - General Fund.....	53
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - General Fund Accounts.....	54
Individual Schedules:	
Budgetary Comparison Schedule - General Fund Accounts ROE/ISC Operations Project #07-3730-00.....	55
Education Fund:	
Combining Schedules:	
Combining Schedule of Accounts - Education Fund.....	56-65
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Education Fund Accounts.....	66-75

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

TABLE OF CONTENTS
(Continued)

Page(s)

SUPPLEMENTAL INFORMATION: (Continued)

Education Fund: (Continued)

Individual Schedules:

Budgetary Comparison Schedule - Education Fund Accounts Adult Education Performance Project #537AA.....	76
Budgetary Comparison Schedule - Education Fund Accounts Adult Education Public Assistance Project #537AA.....	77
Budgetary Comparison Schedule - Education Fund Accounts Adult Education State Basic Project #537AA.....	78
Budgetary Comparison Schedule - Education Fund Accounts Adult Education Federal Basic Project #537AA.....	79
Budgetary Comparison Schedule - Education Fund Accounts Truants Alternative/Optional Education Project #07-3695-00.....	80
Budgetary Comparison Schedule - Education Fund Accounts Title IV Safe and Drug Free Schools Project #07-4400-00.....	81
Budgetary Comparison Schedule - Education Fund Accounts Title II Teacher Quality Project #07-4932-00.....	82
Budgetary Comparison Schedule - Education Fund Accounts Title V Innovative Programs Project #07-4100-00.....	83
Budgetary Comparison Schedule - Education Fund Accounts Regional Safe Schools Project #07-3696-00.....	84

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

TABLE OF CONTENTS
(Continued)

	<u>Page(s)</u>
SUPPLEMENTAL INFORMATION: (Continued)	
Education Fund: (Continued)	
Individual Schedules: (Continued)	
Budgetary Comparison Schedule - Education Fund Accounts Early Childhood Block Grant Project #07-3705-01	85
Budgetary Comparison Schedule - Education Fund Accounts Title I Reading First Project #06-4337-01	86
Budgetary Comparison Schedule - Education Fund Accounts Title I Reading First II Project #06-4337-02	87
Budgetary Comparison Schedule - Education Fund Accounts Early Childhood Block Grant II Project #07-3705-61	88
Budgetary Comparison Schedule - Education Fund Accounts Early Childhood Block Grant - Continuing Three to Five Project #07-3705-00	89
Budgetary Comparison Schedule - Education Fund Accounts Early Childhood Block Grant - Preschool Social Project #07-3705-SE	90
Nonmajor Funds:	
Combining Statements:	
Combining Balance Sheet - Nonmajor Special Revenue Funds	91-95
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	96-100
Agency Funds:	
Combining Statements:	
Combining Statement of Fiduciary Net Assets - Agency Funds	101

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

TABLE OF CONTENTS
(Continued)

	<u>Page(s)</u>
SUPPLEMENTAL INFORMATION: (Continued)	
Agency Funds: (Continued)	
Combining Statements: (Continued)	
Combining Statement of Changes in Assets and Liabilities - Agency Funds	102-103
Schedule of Disbursements to School District Treasurers and Others - Distributive Fund	104
FEDERAL FINANCIAL COMPLIANCE SECTION:	
Schedule of Expenditures of Federal Awards.....	105-106
Notes to Schedule of Expenditures of Federal Awards	107-108

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

OFFICIALS

Regional Superintendent (7/1/06 through current)..... Mr. Richard L. Shelby

Assistant Regional Superintendent (7/1/06 through current)..... Mr. Matthew Snyder

Offices are located at:

1690 Huston Drive
Decatur, IL 62526

MACON-PLATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

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

Details of findings are presented in a separately tabbed section.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

Item No. Page Description

FINDINGS (GOVERNMENT AUDITING STANDARDS)

There were no findings for the year ended June 30, 2007.

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

There were no findings for the year ended June 30, 2007.

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

06-01	15	Controls Over Compliance with Laws and Regulations
06-02	15	Cash Collateral

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

There were no prior findings.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMPLIANCE REPORT SUMMARY (Continued)

EXIT CONFERENCE

An informal exit conference was held on September 14, 2007. Attending were Richard L. Shelby, Regional Superintendent, Ann K. Neal, Director of Business Operations of the Regional Office of Education #39, and James E. Moon, CPA of West & Company, LLC.

FINANCIAL STATEMENT REPORT

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

The financial statement report is comprised of the following:

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

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

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

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

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

Financial Presentation Examined

Auditors' Reports

Findings and Recommendations

Financial Statements

MACON-PLATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of the Macon-Piatt Counties Regional Office of Education #39 was performed by West & Company, LLC.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #39's basic financial statements.

WEST & COMPANY, LLC

MEMBERS

E. LYNN FREESE
RICHARD C. WEST
KENNETH L. VOGT
BRIAN E. DANIELL
JANICE K. ROMACK
DIANA R. SMITH
D. RAIF PERRY
JOHN H. VOGT

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

(217) 235-4747
www.westcpa.com

OFFICES

EDWARDSVILLE
EFFINGHAM
GREENVILLE
MATTOON
SULLIVAN

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 Macon-Piatt Counties Regional Office of Education #39, as of and for the year ended June 30, 2007, which collectively comprise the Macon-Piatt Counties Regional Office of Education #39's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Macon-Piatt Counties Regional Office of Education #39's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Macon-Piatt Counties Regional Office of Education #39, as of June 30, 2007, 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 April 2, 2008 on our consideration of the Macon-Piatt Counties Regional Office of Education #39's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund – Schedule of Funding Progress on pages 16A through 16F and 52 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Macon-Piatt Counties Regional Office of Education #39's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Disbursements to School District Treasurers and Others are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by 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, Schedule of Disbursements to School District Treasurers and Others, 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.

West + Company, LLC

April 2, 2008

WEST & COMPANY, LLC

MEMBERS

E. LYNN FREESE
RICHARD C. WEST
KENNETH L. VOGT
BRIAN E. DANIELL
JANICE K. ROMACK
DIANA R. SMITH
D. RAIF PERRY
JOHN H. VOGT

CERTIFIED PUBLIC ACCOUNTANTS
&
CONSULTANTS

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

(217) 235-4747
www.westcpa.com

OFFICES

EDWARDSVILLE
EFFINGHAM
GREENVILLE
MATTOON
SULLIVAN

**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 Macon-Piatt Counties Regional Office of Education #39, as of and for the year ended June 30, 2007, which collectively comprise the Macon-Piatt Counties Regional Office of Education #39's basic financial statements and have issued our report thereon dated April 2, 2008. 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 Macon-Piatt Counties Regional Office of Education #39's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the Macon-Piatt Counties Regional Office of Education #39's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Macon-Piatt Counties Regional Office of Education #39's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Macon-Piatt Counties Regional Office of Education #39's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

West + Company, LLC

April 2, 2008

WEST & COMPANY, LLC

MEMBERS

E. LYNN FREESE
RICHARD C. WEST
KENNETH L. VOGT
BRIAN E. DANIELL
JANICE K. ROMACK
DIANA R. SMITH
D. RAIF PERRY
JOHN H. VOGT

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

(217) 235-4747
www.westcpa.com

OFFICES

EDWARDSVILLE
EFFINGHAM
GREENVILLE
MATTOON
SULLIVAN

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 Macon-Piatt Counties Regional Office of Education #39 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, 2007. The Macon-Piatt Counties Regional Office of Education #39's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Macon-Piatt Counties Regional Office of Education #39's management. Our responsibility is to express an opinion on the Macon-Piatt Counties Regional Office of Education #39'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 Macon-Piatt Counties Regional Office of Education #39'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 on the Macon-Piatt Counties Regional Office of Education #39's compliance with those requirements.

In our opinion, the Macon-Piatt Counties Regional Office of Education #39 complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the Macon-Piatt Counties Regional Office of Education #39 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 Macon-Piatt Counties Regional Office of Education #39'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 Macon-Piatt Counties Regional Office of Education #39's internal control over compliance.

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.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

West + Company, LLC

April 2, 2008

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2007

Section I -- Summary of Auditors' Results

Financial statements

Type of auditors' 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)? yes X 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)? yes X none reported

Type of auditors' 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)? yes X no

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2007

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

Identification of major programs:

CFDA Number(s)

Name of federal program or cluster

84.027A

Federal - Special Education - IDEA Flow Through

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

\$300,000

Auditee qualified as a low-risk auditee?

X yes

 no

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2007

Section II: Financial Statement Findings

No findings were noted for the year ended June 30, 2007.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2007

Section III: Federal Award Findings

No findings were noted for the year ended June 30, 2007.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2007

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
06-01	A. Public Act 95-496 repealed the requirements of 105 ILCS 5/3-14.11.	Resolved.
	B. Failure to present a report of all the Regional Superintendent's acts including a list of all schools visited and dates of visitations at the county board meetings.	Not repeated.
	C. Public Act 95-496 repealed the requirements of 105 ILCS 5/3-14.5.	Resolved.
06-02	Cash Collateral.	Not repeated.

MANAGEMENT'S DISCUSSION AND ANALYSIS

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended June 30, 2007

The Regional Office of Education #39 for the Counties of Macon and Piatt provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2007. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements which follows.

2007 Financial Highlights

- Within the Governmental Funds, the General Fund revenues increased by \$81,955 from \$1,278,332 in fiscal year 2006 to \$1,360,287 in fiscal year 2007. General Fund expenditures increased by \$79,181 from \$1,199,891 in FY06 to \$1,279,072 in FY07.
- Within the Governmental Funds, the Special Revenue Fund revenue decreased by \$158,242 from \$7,497,580 in FY06 to \$7,339,338 in FY07. The Special Fund expenditures decreased by \$342,684 from \$7,486,274 in FY06 to \$7,143,590 in FY07.

Using This Report

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

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

Reporting the Office as a Whole

The Statement of Net Assets and the Statement of Activities

The Government-wide statements report information about the Regional Office of Education #39 as a whole. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid, using accounting methods similar to those used by private-sector companies.

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

- Over time, increases or decreases in the net assets can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Regional Office's overall health, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the state level need to be considered.

The Government-wide financial statements present all of the Office's activities as governmental and business-type activities. Local, state and federal aid finance most of these activities.

The fund financial statements provide detailed information about the Regional Office's funds. Funds are accounting devices which allows the tracking of specific sources of funding and spending on particular programs. Some funds are required by state law. The Regional Office of Education #39 established other funds to control and manage money for particular purposes.

The Office has three kinds of funds:

1. Governmental funds account for all of the Office's services. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Office's programs. The Office's Governmental Funds include: the General Fund and the Special Revenue funds, which include education and other non major funds.

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

2. Proprietary funds are funds generated from hosting educational workshops for professional development.

The proprietary funds' required financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses, and Changes in Fund Net Assets and a Statement of Cash Flows.

3. Fiduciary funds are used to account for assets held by the Regional Office of Education #39 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The fiduciary funds' required financial statements include a Statement of Fiduciary Net Assets.

Office-Wide Financial Analysis

As noted earlier, net assets may serve when examined over time as one indicator of the financial position of the Regional Office. The net assets at the end of FY07 totaled approximately \$1,721,396. The analysis that follows provides a summary of the Office's net assets at June 30, 2007.

CONDENSED STATEMENT OF NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current Assets	\$ 2,234,979	\$ 2,533,146	\$ 4,503	\$ 4,837	\$ 2,239,482	\$ 2,537,983
Capital Assets, net	89,331	125,830	1,754	1,197	91,085	127,027
Total Assets	<u>2,324,310</u>	<u>2,658,976</u>	<u>6,257</u>	<u>6,034</u>	<u>2,330,567</u>	<u>2,665,010</u>
Current Liabilities	475,817	1,050,947	316	46	476,133	1,050,993
Long-Term Liabilities	127,097	129,572	-	-	127,097	129,572
Total Liabilities	<u>602,914</u>	<u>1,180,519</u>	<u>316</u>	<u>46</u>	<u>603,230</u>	<u>1,180,565</u>
Net Assets:						
Invested in Capital Assets	89,331	125,830	1,754	1,197	91,085	127,027
Restricted for teacher professional development	53,534	43,487	-	-	53,534	43,487
Unrestricted	1,578,531	1,309,140	4,187	4,791	1,582,718	1,313,931
Total Net Assets	<u>\$ 1,721,396</u>	<u>\$ 1,478,457</u>	<u>\$ 5,941</u>	<u>\$ 5,988</u>	<u>\$ 1,727,337</u>	<u>\$ 1,484,445</u>

The following analysis shows the changes in net assets for the year ended June 30, 2007.

CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 41,615	\$ 9,741	\$ 41,615	\$ 9,741
Operating grants & contributions	6,811,686	7,004,296	-	-	6,811,686	7,004,296
General revenues:						
Local sources	1,299,021	1,266,808	-	-	1,299,021	1,266,808
On-behalf payments - State	538,552	456,288	-	-	538,552	456,288
Interest	50,366	48,520	-	-	50,366	48,520
Total revenues	<u>8,699,625</u>	<u>8,775,912</u>	<u>41,615</u>	<u>9,741</u>	<u>8,741,240</u>	<u>8,785,653</u>
Expenses:						
Program expenses:						
Instructional services:						
Salaries and benefits	6,134,413	6,246,340	-	-	6,134,413	6,246,340
Purchased services	1,492,103	1,566,117	-	-	1,492,103	1,566,117
Supplies and materials	215,608	304,896	-	-	215,608	304,896
Capital outlay	-	1,539	-	-	-	1,539
Payments to other governments	24,679	15,151	-	-	24,679	15,151
Other objects	999	554	-	-	999	554
Depreciation	50,332	59,536	486	399	50,818	59,935
Administrative expenses:						
On-behalf payments - State	538,552	456,288	-	-	538,552	456,288
Business-type expenses:						
Instructional	-	-	41,176	8,535	41,176	8,535
Total expenses	<u>8,456,686</u>	<u>8,650,421</u>	<u>41,662</u>	<u>8,934</u>	<u>8,498,348</u>	<u>8,659,355</u>
Change in Net Assets	242,939	125,491	(47)	807	242,892	126,298
Net Assets, beginning of year	<u>1,478,457</u>	<u>1,352,966</u>	<u>5,988</u>	<u>5,181</u>	<u>1,484,445</u>	<u>1,358,147</u>
Net Assets, end of year	<u>\$1,721,396</u>	<u>\$1,478,457</u>	<u>\$ 5,941</u>	<u>\$ 5,988</u>	<u>\$1,727,337</u>	<u>\$1,484,445</u>

Governmental Activities

Revenues for governmental activities were \$8,699,625 and expenses were \$8,456,686. The Regional Office of Education #39 experienced an increase in net assets of \$242,939. A decrease in revenue and expenditures for FY07 resulted in an increase in net assets.

Financial Analysis of the Regional Office of Education #39 Funds

As previously noted, the Regional Office of Education #39 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency's Governmental Funds reported combined fund balances of \$1,759,162 for FY07, an increase of \$276,963 over FY06 fund balance of \$1,482,199.

Governmental Fund Highlights:

- County support for the Regional Office of Education #39 increased in FY07 by 6.3%.
- IDOC contract decreased significantly by 9% to \$3,906,645.
- There was an increase in the state aid foundation level to \$5,334 per student from \$5,164. This has helped off-set reduction in the grant dollars provided for the Future's Program. However, if the FY08 State budget is not signed soon, the Adult Education Program will suffer a large loss because the foundation level would remain at the FY07 level of \$5,334.

Proprietary Fund Highlights:

- In FY07, the Regional Office offered 46 administrator and teacher workshops. As of November 1, 2007, the Regional Office anticipates having at least 28 workshops in FY08 through April.

Budgetary Highlights:

The Regional Office of Education #39 annually adopts budgets for several funds. The Resource Library Cooperative budget and the Heartland Vocational Cooperative budget are prepared by the Regional Superintendent or program coordinator and serve as a guideline for activities and expenditures. These two entities are considered separate from the Regional Office. They are audited on an annual basis by outside auditing firms and budgets are submitted to the Illinois State Board of Education and the Illinois Community College Board. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the two County Boards for their approval. The Office Operations Budget covers a fiscal year which runs from December 1 to November 30. Since these budgets are not based on the same fiscal operating period as the Regional Office, they are not presented. All grant budgets are prepared by the Regional Office of Education #39 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Schedules showing the budget amounts compared to the Office's actual financial activity are included in the supplementary information of this report.

Capital Assets

Capital Assets of the Regional Office of Education #39 include office equipment, lease improvements, computers, audio-visual equipment and office furniture. The Regional Office of Education #39 maintains an inventory of capital assets which have been accumulated over time. Governmental activities capital asset acquisitions for FY07 were \$13,833 and for FY06 were \$83,311. The decrease for FY07 came as a result of having little or no capital outlay budgets in the grants. In addition, the Regional Office of Education #39 has adopted a depreciation schedule which reflects the level of Governmental Activities Net Capital Assets.

Economic Factors and Next Year's Budget

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

- The State of Illinois Foundation Level used in the calculation is supposed to increase to \$5,734 from \$5,334 if and when the FY08 budget is signed.
- The interest rate on investments continues to increase and will impact interest earned.
- Expected revenue from IDOC will dramatically decrease office operations and services. At the present time, the Regional Office is extending IDOC's contract for two months at a time. IDOC is expected to make all Macon County Special Education Department (MCSED) employees state employees; thus the Regional Office would lose the MCSED contract. The Regional Office believes the MCSED contract will end during FY08 and will not extend into future years.
- Slight decreases or level funding for many grants funded from ISBE-RSSP, TAEOP, School Services, and Early Childhood.
- County funding for FY08 will increase to help defray actual expenses incurred during the year.
- State revenue is being received at a much slower rate than in previous years.

Contacting the Regional Office's Financial Management

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

BASIC FINANCIAL STATEMENTS

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

STATEMENT OF NET ASSETS
June 30, 2007

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash	\$ 1,069,390	\$ 4,503	\$ 1,073,893
Investments	15,849	-	15,849
Accounts receivable	55,404	-	55,404
Due from other governments	1,094,336	-	1,094,336
Total current assets	2,234,979	4,503	2,239,482
Noncurrent assets:			
Capital assets, net	89,331	1,754	91,085
Total assets	2,324,310	6,257	2,330,567
LIABILITIES			
Current liabilities:			
Accounts payable	47,909	316	48,225
Accrued salaries and benefits	260,836	-	260,836
Due to other governments	118,657	-	118,657
Deferred revenue	48,415	-	48,415
Total current liabilities	475,817	316	476,133
Noncurrent liabilities:			
Liability for compensated absences	127,097	-	127,097
Total liabilities	602,914	316	603,230
NET ASSETS			
Invested in capital assets	89,331	1,754	91,085
Restricted for teacher professional development	53,534	-	53,534
Unrestricted	1,578,531	4,187	1,582,718
Total net assets	\$ 1,721,396	\$ 5,941	\$ 1,727,337

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

MACON-PILAT COUNTY REGIONAL OFFICE OF EDUCATION #39

STATEMENT OF ACTIVITIES
For the year ended June 30, 2007

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Governmental activities:						
Instructional services:						
Salaries and benefits	\$ 6,134,413	\$ -	\$ 5,487,550	\$ (646,863)	-	\$ (646,863)
Purchased services	1,492,103	-	1,102,178	(389,925)	-	(389,925)
Supplies and materials	215,608	-	185,186	(30,422)	-	(30,422)
Capital outlay	-	-	12,874	12,874	-	12,874
Other objects	999	-	930	(69)	-	(69)
Payments to other governments	24,679	-	22,968	(1,711)	-	(1,711)
Depreciation	50,332	-	-	(50,332)	-	(50,332)
Administrative:						
On-behalf payments - State	538,552	-	-	(538,552)	-	(538,552)
Total governmental activities	\$ 8,456,686	\$ -	\$ 6,811,686	\$ (1,645,000)	\$ -	\$ (1,645,000)
Business-type activities:						
Instructional	41,662	41,615	-	-	(47)	(47)
Total primary government	\$ 8,498,348	\$ 41,615	\$ 6,811,686	\$ (1,645,000)	\$ (47)	\$ (1,645,047)
General revenues:						
Local sources				1,299,021	-	1,299,021
On-behalf payments - State				538,552	-	538,552
Interest				50,366	-	50,366
Total general revenues				1,887,939	-	1,887,939
Change in net assets				242,939	(47)	242,892
Net assets - beginning				1,478,457	5,988	1,484,445
Net assets - ending				\$ 1,721,396	\$ 5,941	\$ 1,727,337

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2007

	General Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash	\$ 29,973	\$ 761,711	\$ 277,706	\$ 1,069,390
Investments	9,291	-	6,558	15,849
Accounts receivable	1,680	70	53,654	55,404
Due from other funds	845,875	-	-	845,875
Due from other governments	26,213	1,041,887	26,236	1,094,336
Total assets	\$ 913,032	\$ 1,803,668	\$ 364,154	\$ 3,080,854
LIABILITIES				
Accounts payable	\$ 22,677	\$ 24,155	\$ 1,077	\$ 47,909
Accrued salaries and benefits	13,320	244,772	2,744	260,836
Due to other funds	-	826,211	19,664	845,875
Due to other governments	3,294	23,621	91,742	118,657
Deferred revenue	-	-	48,415	48,415
Total liabilities	39,291	1,118,759	163,642	1,321,692
FUND BALANCES				
Unreserved, reported in:				
General fund	873,741	-	-	873,741
Special revenue funds	-	684,909	200,512	885,421
Total fund balances	873,741	684,909	200,512	1,759,162
Total liabilities and fund balances	\$ 913,032	\$ 1,803,668	\$ 364,154	\$ 3,080,854

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

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

June 30, 2007

Total fund balances-governmental funds	\$1,759,162
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(127,097)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>89,331</u>
Net assets of governmental activities	<u>\$1,721,396</u>

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

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

For the year ended June 30, 2007

	<u>General Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Local sources	\$ 682,398	\$ 29,207	\$ 587,416	\$ 1,299,021
State sources	92,632	5,716,397	16,458	5,825,487
Federal sources	-	985,655	544	986,199
On-behalf payments	538,552	-	-	538,552
Interest	46,705	137	3,524	50,366
	<u>1,360,287</u>	<u>6,731,396</u>	<u>607,942</u>	<u>8,699,625</u>
Expenditures:				
Education:				
Salaries and benefits	417,035	5,479,297	240,556	6,136,888
Purchased services	285,837	881,558	324,708	1,492,103
Supplies and materials	30,334	167,588	17,686	215,608
Capital outlay	6,315	7,518	-	13,833
Other objects	999	-	-	999
Payments to other governments	-	24,679	-	24,679
On-behalf payments	538,552	-	-	538,552
	<u>1,279,072</u>	<u>6,560,640</u>	<u>582,950</u>	<u>8,422,662</u>
Excess of revenues over expenditures	<u>81,215</u>	<u>170,756</u>	<u>24,992</u>	<u>276,963</u>
Other financing sources (uses):				
Transfers in	-	-	6,547	6,547
Transfers out	-	(6,547)	-	(6,547)
Net other sources and uses of financial resources	<u>-</u>	<u>(6,547)</u>	<u>6,547</u>	<u>-</u>
Net change in fund balances	81,215	164,209	31,539	276,963
Fund balances, beginning of year	<u>792,526</u>	<u>520,700</u>	<u>168,973</u>	<u>1,482,199</u>
Fund balances, end of year	<u>\$ 873,741</u>	<u>\$ 684,909</u>	<u>\$ 200,512</u>	<u>\$ 1,759,162</u>

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

GOVERNMENTAL FUNDS
For the year ended June 30, 2007

Net change in fund balances-governmental funds \$ 276,963

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. This
is the amount by which depreciation exceeded capital outlays in the
current period.

Capital outlay	\$ 13,833	
Depreciation expense	<u>(50,332)</u>	(36,499)

Certain reductions of expenses reported in the Statement of Activities do
not provide current financial resources and therefore are not reported
as reductions of expenditures in governmental funds.

2,475

Change in net assets of governmental activities \$ 242,939

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS

June 30, 2007

	Business-Type Activities Enterprise Funds <u>Workshop Reimbursement</u>
ASSETS	
Current assets:	
Cash	\$ 4,503
Noncurrent assets:	
Capital assets, net	<u>1,754</u>
Total assets	<u>6,257</u>
LIABILITIES	
Current liabilities:	
Accounts payable	<u>316</u>
Total liabilities	<u>316</u>
NET ASSETS	
Invested in capital assets	1,754
Unrestricted	<u>4,187</u>
Total net assets	<u>\$ 5,941</u>

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS

For the year ended June 30, 2007

	Business-Type Activities Enterprise Funds <u>Workshop Reimbursement</u>
Operating revenues:	
Charges for services	\$ 41,615
Operating expenses:	
Purchased services	35,437
Supplies and materials	5,739
Depreciation	<u>486</u>
Total operating expenses	<u>41,662</u>
Operating loss	<u>(47)</u>
Change in net assets	(47)
Total net assets - beginning	<u>5,988</u>
Total net assets - ending	<u>\$ 5,941</u>

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the year ended June 30, 2007

	Business-Type Activities Enterprise Funds <u>Workshop Reimbursement</u>
Cash flows from operating activities:	
Collection of fees	\$ 41,615
Payments to suppliers and providers of goods and services	<u>(40,906)</u>
Net cash provided by operating activities	<u>709</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	<u>(1,043)</u>
Net cash provided by (used for) capital and related financing activities	<u>(1,043)</u>
Net increase (decrease) in cash and cash equivalents	(334)
Cash and cash equivalents - beginning	<u>4,837</u>
Cash and cash equivalents - ending	<u><u>\$ 4,503</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	\$ (47)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	486
Change in assets and liabilities:	
Increase in accounts payable	<u>270</u>
Net cash provided by operating activities	<u><u>\$ 709</u></u>

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

June 30, 2007

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 18,336
Due from other governments	4,496
Due from other organizations	<u>611</u>
Total assets	<u>\$ 23,443</u>
LIABILITIES	
Due to other governments	\$ 18,947
Due to other organizations	<u>4,496</u>
Total liabilities	<u>\$ 23,443</u>

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

NOTES TO FINANCIAL STATEMENTS

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #39's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental units of this type.

A. Reporting Entity

The Regional Office of Education #39 was created by Illinois Public Act 76-735, as amended, effective August 8, 1995. The region encompasses Macon and Piatt counties.

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

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

The Regional Office of Education #39 derives its oversight power and authority over the school districts from the School Code and is responsible for its own fiscal and budgetary matters. In evaluating how to define the financial reporting entity, the Regional Office of Education #39 has considered all potential component units. The decision to include or exclude a potential component unit was made by applying the criteria defined by the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity". The basic criterion for including a potential component unit is the financial accountability of the primary government for the potential component unit. Financial accountability was determined on the basis of authoritative appointments of a voting majority of the potential component unit's board, imposition of its will on the potential component unit, the existence of a financial benefit or burden, fiscal dependency, and the designation of management. The Macon County Cooperative Film Library is considered a governmental component unit of the Regional Office of Education #39. It is blended in the financial statements as the Film Library Fund. The Macon County Cooperative Film Library does not issue separate financial statements. The Regional Office of Education #39 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education #39 being considered a component unit of the entity.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Regional Office of Education #39 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education #39 and is used to account for all financial resources that are not legally restricted for expenditure for specified purposes. This fund is available to pay general and administrative expenditures of the Regional Office of Education #39. Included in this fund are:

General - To account for interest received on distributive monies.

ROE/ISC Operations - To account for the proceeds from the Illinois State Board of Education for professional development for teachers in Macon and Piatt school districts.

Business Office - To account for various business office expenditures, such as insurance, utilities, rent, and business personnel, and reimbursements from Macon and Piatt counties to help cover these costs. It also accounts for pop machine revenues and expenditures as well as interest on the pooled cash account.

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

Adult Education Performance - To account for the proceeds of a grant awarded by the Illinois Community College Board under its Adult Education program.

Adult Education Public Assistance - To account for the proceeds of a grant awarded by the Illinois Community College Board under its Adult Education program.

Adult Education State Basic - To account for the proceeds of a grant awarded by the Illinois Community College Board under its Adult Education program.

Adult Education Federal Basic - To account for the proceeds of a U.S. Department of Education grant passed through the Illinois Community College Board. The purpose of this and the other Adult Education programs is to improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary for literate functioning, enable adults who so desire to complete secondary school, enable adults to benefit from job training and retaining programs, and enable adults to obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship.

Adult Education - To account for the General State Aid proceeds used for adult education. Funding is also provided by the Macon County Mental Health Board.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Education (Continued)

WIA-Year Round Youth Program I - To account for an adult/teen GED program that allows youth ages 16-21 access to intensive workforce training, as well as opportunities for educational growth.

Safe School State Aid - To account for General State Aid received from the Illinois State Board of Education based on the average daily attendance at the Safe School. Funding is also provided by the Macon County Mental Health Board.

Truants Alternative/Optional Education - To account for the proceeds of a grant from the Illinois State Board of Education to provide educational opportunities for dropouts and truants.

ADA State Aid - To account for General State Aid for the Futures Unlimited School.

Title IV Safe and Drug Free Schools - To account for the proceeds of a federal grant passed through the Illinois State Board of Education. The purpose of the program is to provide alcohol and drug education.

Title II Teacher Quality - To account for the proceeds from the Illinois State Board of Education to improve teacher effectiveness in the classroom.

Title V Innovative Programs - To account for the proceeds of a grant awarded by the Illinois State Board of Education for at-risk students to increase academic achievement.

Regional Safe Schools - To account for the proceeds of a grant awarded to Regional Offices by the Illinois State Board of Education in order to remove violent and unproductive youths from a public school setting and place them in a program where they can receive individualized attention.

Special Education for Department of Corrections - To account for proceeds from the State of Illinois Department of Corrections, and federal and State grants passed through the Illinois State Board of Education, to be used to implement special educational programs for School District #428 of the Department of Corrections.

Early Childhood Block Grant - To account for the proceeds of a grant awarded by the Illinois State Board of Education for the systematic identification and recruitment of teen moms and dads and the delivery of culturally appropriate education in order to engage them in their child's learning.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Education (Continued)

Not on Tobacco - To account for a grant awarded to Futures Unlimited for students to learn the hazards of tobacco products.

Title I Reading First - To account for the proceeds from the Illinois State Board of Education to coordinate efforts and provide support to help schools that have a high number of students not meeting reading standards.

Title I Reading First II - To account for the proceeds from the Illinois State Board of Education to plan and implement Reading First Academies to be delivered to kindergarten, first grade, and second grade teachers to meet the needs of students in the classroom.

Adult Transition Center - To account for a grant between the Department of Corrections and Regional Office of Education #39 to provide educational services at the Adult Transition Center, a work release correctional facility.

System of Support Grant - To account for resources for schools identified by the Illinois State Board of Education as being in school improvement status.

Baby Talk System of Support - To account for a contract between Richland Community College and Baby Talk for a Secretary of State Family Literacy Project that provides coordination and parenting instruction for adults enrolled in the Family Literacy Program served at Central Christian Church.

Title II Teacher Quality II - To account for a grant that supports teacher and administrator enhancement by providing staff development programs and generating awareness and supporting national certification for teachers.

System of Support State - To account for a grant that provides training to ensure curriculum is aligned with the Illinois Learning Standards and the Illinois Assessment Frameworks, with an emphasis on reading and mathematics.

Early Childhood Block Grant II - To account for the proceeds of a grant from the Illinois State Board of Education to bring intensive services to families for whom the mother is a high school student.

Standards Aligned Classroom Project SAC Teams - To account for a project from the Iroquois/Kankakee Regional Office of Education to study and decide on Standards Aligned Classroom units in the classroom.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Education (Continued)

Early Childhood Block Grant - Continuing Three to Five - To account for the proceeds of a grant from the Illinois State Board of Education for early childhood and family education programs and services that help young children enter school ready to learn.

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

Early Childhood Block Grant - Preschool Social - To account for the proceeds of a grant from the Illinois State Board of Education for training and mentoring of staff and other early childhood mental health providers.

The Regional Office of Education #39 reports the following nonmajor funds:

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

Institute - To account for the proceeds earned from teacher registration, certificate renewals, and examinations. The proceeds are used to pay administrative expenses incurred on behalf of the teachers' institute, such as certificates, workshops, and general meetings, to ensure compliance with 105 ILCS 5/3-12 (Institute fund). All funds generated remain restricted until expended only on the aforementioned activities.

General Education Development (GED) - To account for proceeds earned from students who participate in the high school equivalency programs. These proceeds are used to pay the administrative expenses incurred to administer the GED program.

Film Library - To account for the revenues and expenditures of the Macon County Cooperative Film Library. The Macon County Cooperative Film Library was formed by an intergovernmental agreement among nine member school districts. The Film Library is governed by a board of control consisting of the Superintendent of each member district. The purpose of the Film Library is to provide educational films, video tapes, and computer disks to the member districts in return for an assessment based on district enrollment.

Bus Permit - To account for the proceeds from registration and user fees and a distribution from the Illinois State Board of Education. These proceeds are used to pay the administrative expenses incurred to ensure compliance with 105 ILCS 5/3-14.23 (school bus driver permits).

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Special Revenue Funds (Continued)

Supervisory - To account for proceeds provided to the Regional Superintendent by the Illinois State Board of Education to be used for travel and related purposes.

Regional Board of Trustees - To account for receipts and disbursements related to school annexation, consolidations, and school grievances.

Junior Achievement - To account for sales of candy, etc.

Futures Pop Fund - To account for revenue and expense from the pop machine.

St. Mary's Hospital School - To account for charges to local school districts for educational services provided to students being treated by St. Mary's Adolescent Mental Health Services.

Student Council - To account for sales of candy, bake sales, etc. for class trips.

Teachers' Exchange - To account for the proceeds of monthly commissions from a teachers' supply store and revenue generated by fees from classes and education conferences. Expenditures are those necessary to operate the store and subsidize the annual education conference held in Decatur.

Decatur Education Conference - To account for the activity of the annual education conference held in Decatur. Revenue sources include teacher registration fees, exhibitor fees, and funding from the Teachers' Exchange and school improvement funds. Expenditures are those that are necessary to operate the conference.

Baby Talk - To account for proceeds for outreach and family literacy programs, STEPS Early Intervention, and resources for professionals, including professional training, certification seminars, and an extensive program curriculum.

Partners in Education - To account for a grant obtained from Partners in Education to assist students in obtaining employment while pursuing their GED.

Futures Foundation - To account for Futures Unlimited contributions from the Community Foundation of Decatur/Macon County and various other donors.

World of Work - To account for a grant that provides at risk students access to a business/work environment/setting through visits to various businesses in Decatur.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Special Revenue Funds (Continued)

Department of Corrections - GED Contract - To account for GED testing at Decatur, Taylorville, Lincoln, Logan, Danville, and Pontiac correctional facilities.

Forming Critical Crisis Response Teams - To account for proceeds from the Illinois Emergency Services Management Association to provide one-day training on crisis response teams.

The Regional Office of Education #39 reports the following nonmajor proprietary fund:

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

Workshop Reimbursement - To account for workshops for professional development presented by Regional Office of Education employees.

Additionally, the Regional Office of Education #39 reports the following fiduciary funds:

Agency Funds - Agency Funds are used to account for assets held by the Regional Office of Education #39 in a custodial capacity or as an agent for other governments. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the outside organizations are equal to the assets held. Included among these funds are:

Distributive Fund - To account for the assets held by the Regional Office of Education #39 to be distributed to local school districts and other governmental units.

Project Success Fund - To account for grants received from the Illinois Department of Human Services and Illinois Violence Prevention that are passed directly to Project Success, a nonprofit organization.

Heartland Region Fund - To account for the assets held in trust for the benefit of Heartland Region, an intergovernmental agreement between school districts that provides quality and efficient delivery of orientation and skill level vocational programs accessible to all residents in member districts.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Regional Office of Education #39 has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The Regional Office of Education #39's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services and administrative expenses.

D. Assets, Liabilities, and Net Assets or Equity

1. Cash and Investments

The Regional Office of Education #39 considers cash on hand, checking accounts, savings accounts, and investments held with an original maturity date of less than three months to be cash and cash equivalents. State regulations require that Regional Office of Education #39 deposit funds under its control into accounts insured by the federal government, accounts secured by substantial collateral, or pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

Statutes authorize the Regional Office of Education #39 to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

2. Interfund Transactions

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Leasehold improvements	3
Equipment	4

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

4. Compensated Absences

Employees earn vacation days after completing a full year of service. Part-time employees and individuals hired for less than a twelve month position do not accumulate paid vacation time. Accumulated vacation benefits are accrued as incurred in the government-wide financial statements. Governmental funds record accumulated unused vacation benefits payable only when due for payment, such as when an employee retires or resigns.

Full-time employees receive up to fifteen sick days per year. Part-time employees receive up to ten sick days per year. Sick leave may accumulate for all employees up to a maximum of 180 days. Unused sick leave may be certified in writing to the next employer at the request of the employee at the time of re-employment elsewhere, and unused sick leave accumulated from previous public school employers will be accepted when certified in writing to the Regional Office of Education #39. Unused sick leave, upon the retirement of the employee, may be used as service credits toward the employee's retirement fund. Employees are not entitled to any sick leave pay upon termination. Therefore, no accruals or reserves have been established. However, employees involved in the special education programs for the Department of Corrections are entitled to be paid at half-rate for unused sick leave accumulated from January 1, 1984 through June 30, 1998 upon termination. At June 30, 2007, this liability was not determinable.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Equity Classifications

Government-wide Statements

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

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

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

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

Fund Statements

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

E. New Accounting Pronouncement

The Regional Office of Education #39 has implemented GASB Statement No. 43, *Financial Reporting for Postemployment Plans Other Than Pension Plans* effective for the fiscal year beginning July 1, 2006. The Statement had no effect on the Regional Office of Education #39's net assets or changes in net assets.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund Balance Sheet includes a reconciliation between *total fund balances-governmental funds* and *net assets of governmental activities* as reported in the government-wide Statement of Net Assets. One element of that reconciliation explains that "long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds." The \$127,097 difference is as follows:

Compensated absences	<u>\$ 127,097</u>
----------------------	-------------------

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

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between *net change in fund balances-governmental funds* and *change in net assets of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$36,499 difference are as follows:

Capital outlay - assets owned by the Regional Office	\$ 13,833
Depreciation expense	<u>(50,332)</u>

Net adjustment to decrease net changes in fund balances-governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (36,499)</u>
--	--------------------

Another element of that reconciliation states that "certain reductions of expenses reported in the Statement of Activities do not provide current financial resources and therefore are not reported as reductions of expenditures in governmental funds." The \$2,475 difference is as follows:

Change in compensated absences, net	<u>\$ 2,475</u>
-------------------------------------	-----------------

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

3. BUDGETS AND BUDGETARY ACCOUNTING

The Regional Office of Education #39 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

Budgets relating to programs funded by grants from the Illinois State Board of Education are prepared and submitted to the State Board for approval as part of the grant awards process. The State Board must also approve amendments to these budgets. Grant project budgets are based on the award period. Budgets relating to programs funded by grants from the Illinois Community College Board must also be prepared and submitted for approval. Budgetary Comparison Schedules have been presented for the following grants received from the Illinois State Board of Education or the Illinois Community College Board: ROE/ISC Operations, Adult Education Performance, Adult Education Public Assistance, Adult Education State Basic, Adult Education Federal Basic, Truants Alternative/Optional Education, Title IV Safe and Drug Free Schools, Title II Teacher Quality, Title V Innovative Programs, Regional Safe Schools, Early Childhood Block Grant (01), Title I Reading First, Title I Reading First II, Early Childhood Block Grant II (61), Early Childhood Block Grant - Continuing Three to Five (00), and Early Childhood Block Grant - Preschool Social (SE).

4. USE OF ESTIMATES

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

5. INTEREST ON DISTRIBUTIVE FUND ACCOUNTS

Interest earned on Distributive Fund receipts is reported as revenue in the General Fund by the consent of all affected school districts and other entities.

6. DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2007, the government-wide and agency fund's carrying amounts of the Regional Office of Education #39's deposits were \$1,073,893 and \$18,336, respectively. The bank balances, including a common checking account, were \$1,249,435. The bank balances included \$948,000 invested in a Treasury-Municipal Investment Fund, which maintains deposits invested in direct obligations of the United States Government and are stated at cost which approximates market. The remaining deposits of \$301,435 were secured by federal depository insurance or collateralized with securities held jointly in the names of the pledging financial institution's trust department and the Regional Office of Education #39, and were, therefore, not exposed to custodial credit risk.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

6. DEPOSITS AND INVESTMENTS (Continued)

B. Investments

The Regional Office of Education #39 does not have a formal investments policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. At June 30, 2007, the Regional Office of Education #39 had investments with carrying and fair values of \$15,849 invested in the Illinois Funds Money Market Fund.

Credit Risk

At June 30, 2007, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

Interest Rate Risk

The Illinois Funds Money Market Fund, created by the Illinois General Assembly, enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. The investment policy of the Illinois Funds Money Market Fund states that, unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity.

Concentration of Credit Risk

Unless specifically authorized by the Treasurer, the Illinois Funds Money Market Fund's investment policy limits investment categories to not exceed 25% of the portfolio, with the exception of cash equivalents and U.S. Treasury securities. Further, certificates of deposit cannot exceed 10% of any single financial institution's total deposits.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets being depreciated:				
Leasehold improvements	\$ 45,000	\$ -	\$ -	\$ 45,000
Equipment	254,079	13,833	(525)	267,387
Total capital assets being depreciated	<u>299,079</u>	<u>13,833</u>	<u>(525)</u>	<u>312,387</u>
Less accumulated depreciation for:				
Leasehold improvements	(45,000)	-	-	(45,000)
Equipment	(128,249)	(50,332)	525	(178,056)
Total accumulated depreciation	<u>(173,249)</u>	<u>(50,332)</u>	<u>525</u>	<u>(223,056)</u>
Governmental activities capital assets, net	<u>\$ 125,830</u>	<u>\$ (36,499)</u>	<u>\$ -</u>	<u>\$ 89,331</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 1,596	\$ 1,043	\$ -	\$ 2,639
Total capital assets being depreciated	<u>1,596</u>	<u>1,043</u>	<u>-</u>	<u>2,639</u>
Less accumulated depreciation for:				
Equipment	(399)	(486)	-	(885)
Total accumulated depreciation	<u>(399)</u>	<u>(486)</u>	<u>-</u>	<u>(885)</u>
Business-type activities capital assets, net	<u>\$ 1,197</u>	<u>\$ 557</u>	<u>\$ -</u>	<u>\$ 1,754</u>

Depreciation expense was charged to functions/programs of Regional Office of Education #39 as follows:

Governmental activities:	
Instructional services:	
Depreciation	<u>\$ 50,332</u>
Business-type activities:	
Other:	
Depreciation	<u>\$ 486</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

The Regional Office of Education #39 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for 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 nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate through June 30, 2007 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.

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 0.6 percent during the year ended June 30, 2007, and the member THIS Fund health insurance contribution was 0.8 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #39's TRS-covered employees.

On-Behalf Contributions - The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #39. For the year ended June 30, 2007, State of Illinois contributions were made based on 9.78 percent of creditable earnings, and the Regional Office of Education #39 recognized revenue and expenditures of \$337,808 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2006 and June 30, 2005, the State of Illinois contribution rates as percentages of creditable earnings were 7.06 percent (\$276,270) and 11.76 percent (\$508,663), respectively.

The state contributions to TRS for the years ended June 30, 2007 and June 30, 2006 were based on dollar amounts specified by the statute and were not actuarially determined. The state contributions for the year ended June 30, 2005 were based on an actuarial formula.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

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

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

2.2 Formula Contributions - Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2007 were \$20,034. Contributions for the years ended June 30, 2006 and June 30, 2005 were \$22,696 and \$25,084, respectively.

Federal and Trust Fund Contributions - When TRS members are paid from federal and trust funds administered by the Regional Office of Education #39, there is a statutory requirement for the Regional Office of Education #39 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2007, the employer pension contribution was 9.78 percent of salaries paid from federal and trust funds. For the year ended June 30, 2006, the employer contribution was 7.06 percent of salaries paid from those funds. For the year ended June 30, 2005, the employer pension contribution was 10.5 percent of salaries paid from those funds. For the year ended June 30, 2007, salaries totaling \$286,315 were paid from federal and trust funds that required employer contributions of \$28,002. For the years ended June 30, 2006 and June 30, 2005, required contributions were \$58,533 and \$111,638, respectively.

Early Retirement Option (ERO) - The Regional Office of Education #39 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires.

Under Public Act 94-0004, a "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire 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 qualifies for the Pipeline ERO).

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

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

Under the ERO program that expired June 30, 2005 and the Pipeline ERO, the maximum employer contribution is 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, 2007, the Regional Office of Education #39 made no payments to TRS for employer contributions under the Pipeline ERO and Modified ERO programs. For the years ended June 30, 2006 and June 30, 2005, the Regional Office of Education #39 paid \$108,397 and \$90,446, respectively, in employer ERO contributions.

Salary Increases over 6 Percent and Excess Sick Leave - Public Act 94-0004 added two new 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, 2007, the Regional Office of Education #39 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2006, the Regional Office of Education #39 made no payments for employer contributions due on salary increases in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.6 percent of salary during the year ended June 30, 2007).

For the year ended June 30, 2007, the Regional Office of Education #39 made no payments to TRS for sick leave days granted in the excess of the normal annual allotment. For the year ended June 30, 2006, the Regional Office of Education #39 made no payments for employer contributions granted for sick leave days.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

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

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, 2006. The report for the year ended June 30, 2007, is expected to be available in late 2007.

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

B. Illinois Municipal Retirement Fund

The Regional Office of Education #39's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system, provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.5 percent of their annual covered salary. The member rate is established by state statute. The Regional Office of Education #39 is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 13.59 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2006 was 5 years.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund

For December 31, 2006, the Regional Office of Education #39's annual pension cost of \$171,330 was equal to the Regional Office of Education #39's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2006 actuarial valuation were based on the 2002-2004 experience study.

Trend Information

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/06	\$ 171,330	100%	\$ -
12/31/05	131,783	100%	-
12/31/04	61,840	100%	-
12/31/03	83,247	100%	-
12/31/02	105,131	100%	-
12/31/01	149,703	100%	-
12/31/00	147,886	100%	-
12/31/99	164,226	100%	-
12/31/98	157,828	100%	-
12/31/97	131,357	100%	-

Schedule of Funding Progress

The Schedule of Funding Progress gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. The Schedule of Funding Progress for the past ten years is reported as required supplementary information.

C. Social Security

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

9. INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2007, interfund receivables and payables were as follows:

<u>Due To (Receivable Fund)</u>	<u>Due From (Payable Fund)</u>	<u>Balance at June 30, 2007</u>
General Fund:	Education Fund:	
Business Office	WIA - Year Round Youth Program I	\$ 14,161
Business Office	Special Education for Department of Corrections	735,843
Business Office	Early Childhood Block Grant	9,481
Business Office	Adult Transition Center	14,755
Business Office	System of Support Grant	30,697
Business Office	Baby Talk System of Support	7,170
Business Office	Title II Teacher Quality II	3,042
Business Office	System of Support State	3,694
Business Office	Early Childhood Block Grant II	5,409
Business Office	Early Childhood Block Grant - Continuing Three to Five	1,959
General Fund:	Nonmajor Governmental Fund:	
Business Office	Baby Talk	15,944
Business Office	DOC-GED Contract	3,720
		<u>\$ 845,875</u>

All of the interfund balances are within the same pooled cash account. The amounts are cash balances borrowed from the General Fund.

10. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2007 was as follows:

	<u>Balance at July 1, 2006</u>	<u>Reductions</u>	<u>Balance at June 30, 2007</u>
Compensated Absences	<u>\$ 129,572</u>	<u>\$ 2,475</u>	<u>\$ 127,097</u>

Due to the nature of the obligation for compensated absences, annual requirements to amortize such obligations are not determinable and have not been presented. Compensated absences are liquidated through the fund that provides the particular employee's salary.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

11. BOND

The 105 ILCS 5/3-2 directs the Regional Office of Education #39 to execute a bond of not less than \$100,000 on the Regional Superintendent. The Regional Office of Education #39 has secured and maintained such a bond with coverage of \$100,000 on the Regional Superintendent.

12. ON-BEHALF PAYMENTS

The Regional Office of Education #39 has received on-behalf payments for employee salaries and benefits from the State of Illinois for the following items:

Regional Superintendent-salary	\$ 88,539
Regional Superintendent-benefits (includes State paid insurance)	15,675
Assistant Regional Superintendent-salary	79,686
Assistant Regional Superintendent-benefits (includes State paid insurance)	16,844
TRS pension contributions	<u>337,808</u>
	<u>\$ 538,552</u>

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

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

13. RISK MANAGEMENT - CLAIMS AND JUDGMENTS

The Regional Office of Education #39 is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation; and natural disasters. The Regional Office of Education #39 is covered by commercial insurance to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years.

At June 30, 2007, the Regional Office of Education #39 was a defendant in a pending lawsuit. Management believes that the liability insurance of the Regional Office is sufficient to cover any settlements resulting from the asserted claim.

14. CONTINGENCIES

The Regional Office of Education #39 has received funding from federal and State grants in the current and prior years which are subject to audits by granting agencies. The Regional Office of Education #39 believes any adjustments that may arise will be insignificant to the Regional Office of Education #39's operations.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

15. OPERATING LEASES

The Regional Office of Education #39 is committed through July 31, 2008 under a lease agreement for the ground and second floor of a building located at 250 East William Street, Decatur, Illinois. This lease calls for monthly rental payments of \$7,073 from August 1, 2006 to July 31, 2008. The lease also calls for the Regional Office to pay all utilities and liability insurance.

The Regional Office has the option to extend the lease for one additional two-year period with monthly rental payments of \$7,073 from August 1, 2008 to July 31, 2010.

The Regional Office is committed through June 30, 2010 under a lease agreement for the building located at 1690 Huston Drive, Decatur, Illinois. This lease calls for monthly rental payments of \$3,750.

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

The Regional Office of Education #39 is committed through March 31, 2011 under a lease agreement for the first floor of the building located at 432 North Water Street, Decatur, Illinois. This lease calls for monthly rent payments of \$3,750 from April 1, 2006 to March 31, 2008 and \$3,975 from April 1, 2008 to March 31, 2011. The lease also calls for the Regional Office to pay all utilities and liability insurance.

For financial accounting purposes, these leases are considered operating leases.

Future minimum payments are as follows:

<u>Year ending</u> <u>June 30</u>	<u>Amount</u>
2008	\$ 175,551
2009	99,773
2010	92,700
2011	<u>35,775</u>
	<u>\$ 403,799</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

16. DUE TO/FROM OTHER GOVERNMENTS

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

Due From Other Governments

General Fund:

Illinois State Board of Education	\$ 5,625
Macon County	14,723
Piatt County	5,865

Education Fund:

Illinois State Board of Education	39,359
Macon County	539
Macon County WorkForce Investment Solution	14,631
Illinois Department of Corrections	935,267
Richland Community College	7,560
Iroquois Kankakee Regional Office of Education #32	40,439
Henderson, Mercer, Warren Regional Office of Education #27	1,259
Illinois Community College Board	2,833

Nonmajor Governmental Funds:

Illinois Department of Corrections	3,790
Decatur School District	22,446
	<hr/>
	1,094,336

Fiduciary Funds:

Illinois Department of Human Services	4,496
	<hr/>
Total	<u>\$ 1,098,832</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO FINANCIAL STATEMENTS

16. DUE TO/FROM OTHER GOVERNMENTS (Continued)

Due To Other Governments

General Fund:

Illinois State Board of Education	\$ 3,066
Illinois Community College Board	3
U.S. Department of Education	225

Education Fund:

Illinois Department of Corrections	23,621
------------------------------------	--------

Nonmajor Governmental Funds:

Eastern Illinois University	91,742
	<u>118,657</u>

Fiduciary Funds:

Heartland Region	18,942
Illinois State Board of Education	5
	<u>18,947</u>

Total	<u>\$ 137,604</u>
-------	-------------------

17. SCHEDULE OF TRANSFERS

During the fiscal year ended June 30, 2007, transfers were as follows:

<u>Transfers From Other Funds</u> <u>(Transfers In)</u>	<u>Transfers To Other Funds</u> <u>(Transfers Out)</u>	<u>Total</u> <u>Transfers</u>
Nonmajor Governmental Fund: St. Mary's Hospital School	Education Fund: ADA State Aid	<u>\$ 6,547</u>

The transfer to St. Mary's Hospital School was to allocate State Aid funding from the Education Fund.

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

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
UNAUDITED

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/06	\$1,641,240	\$ 1,912,443	\$ 271,203	85.82%	\$1,260,709	21.51%
12/31/05	1,477,110	1,685,559	208,449	87.63%	1,139,011	18.30%
12/31/04	1,346,397	1,627,772	281,375	82.71%	1,140,969	24.66%
12/31/03	1,281,403	1,402,631	121,228	91.36%	1,099,696	11.02%
12/31/02	1,413,566	1,341,717	(71,849)	105.36%	1,120,802	0.00%
12/31/01	1,233,940	1,212,441	(21,499)	101.77%	1,271,901	0.00%
12/31/00	1,117,463	1,196,672	79,209	93.38%	1,275,983	6.21%
12/31/99	865,397	1,115,908	250,511	77.55%	1,289,060	19.43%
12/31/98	621,401	908,067	286,666	68.43%	1,255,593	22.83%
12/31/97	413,127	764,011	350,884	54.07%	1,206,734	29.08%

On a market value basis, the actuarial value of assets as of December 31, 2006 was \$1,837,197. On a market basis, the funded ratio would be 96.07 percent.

Digest of Changes:

The actuarial assumptions used to determine the actuarial accrued liability for 2006 are based on the 2002-2004 Experience Study.

The principal changes were:

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

SLEP Member contribution rate changed from 6.5 percent to 7.5 percent effective June 1, 2006.

SUPPLEMENTAL INFORMATION

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 June 30, 2007

	General	ROE/ISC Operations	Business Office	Totals
ASSETS				
Cash	\$ 11,585	\$ 4,103	\$ 14,285	\$ 29,973
Investments	9,291	-	-	9,291
Accounts receivable	-	-	1,680	1,680
Due from other funds	-	-	845,875	845,875
Due from other governments	-	-	26,213	26,213
Total assets	\$ 20,876	\$ 4,103	\$ 888,053	\$ 913,032
LIABILITIES				
Accounts payable	-	31	22,646	22,677
Accrued salaries and benefits	-	1,005	12,315	13,320
Due to other governments	-	3,066	228	3,294
Total liabilities	-	4,102	35,189	39,291
FUND BALANCES				
Unreserved	20,876	1	852,864	873,741
Total liabilities and fund balances	\$ 20,876	\$ 4,103	\$ 888,053	\$ 913,032

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the year ended June 30, 2007

	General	ROE/ISC Operations	Business Office	Totals
Revenues:				
Local sources	\$ -	\$ -	\$ 682,398	\$ 682,398
State sources	-	87,032	5,600	92,632
On-behalf payments	538,552	-	-	538,552
Interest	1,430	-	45,275	46,705
Total revenues	539,982	87,032	733,273	1,360,287
Expenditures:				
Salaries and benefits	-	64,645	352,390	417,035
Purchased services	-	19,832	266,005	285,837
Supplies and materials	-	1,556	28,778	30,334
Capital outlay	-	-	6,315	6,315
Other objects	-	999	-	999
On-behalf payments	538,552	-	-	538,552
Total expenditures	538,552	87,032	653,488	1,279,072
Excess of revenues over expenditures	1,430	-	79,785	81,215
Fund balances, beginning of year	19,446	1	773,079	792,526
Fund balances, end of year	\$ 20,876	\$ 1	\$ 852,864	\$ 873,741

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND ACCOUNTS
 ROE/ISC OPERATIONS - PROJECT #07-3730-00
 For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 87,032	\$ 87,032	\$ 87,032	\$ -
Expenditures:				
Salaries and benefits	65,056	64,675	64,645	30
Purchased services	21,513	20,801	19,832	969
Supplies and materials	463	1,556	1,556	-
Other objects	-	-	999	(999)
Total expenditures	87,032	87,032	87,032	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			1	
Fund balance, end of year			\$ 1	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND

June 30, 2007

	Adult Education Performance	Adult Education Public Assistance	Adult Education State Basic
ASSETS			
Cash	\$ 678	\$ 1,077	\$ 223
Accounts receivable	-	-	-
Due from other governments	-	1,833	1,000
Total assets	<u>\$ 678</u>	<u>\$ 2,910</u>	<u>\$ 1,223</u>
LIABILITIES			
Accounts payable	\$ 142	\$ 2,459	\$ 1,000
Accrued salaries and benefits	536	451	222
Due to other funds	-	-	-
Due to other governments	-	-	-
Total liabilities	<u>678</u>	<u>2,910</u>	<u>1,222</u>
FUND BALANCES			
Unreserved	-	-	1
Total liabilities and fund balances	<u>\$ 678</u>	<u>\$ 2,910</u>	<u>\$ 1,223</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND

June 30, 2007

	Adult Education Federal Basic	Adult Education	WIA - Year Round Youth Program I
ASSETS			
Cash	\$ 435	\$ 148,859	\$ -
Accounts receivable	-	12	-
Due from other governments	-	-	14,631
	<u>435</u>	<u>-</u>	<u>14,631</u>
Total assets	<u>\$ 435</u>	<u>\$ 148,871</u>	<u>\$ 14,631</u>
LIABILITIES			
Accounts payable	\$ 185	\$ 873	\$ -
Accrued salaries and benefits	250	2,152	470
Due to other funds	-	-	14,161
Due to other governments	-	-	-
	<u>435</u>	<u>3,025</u>	<u>14,631</u>
Total liabilities	<u>435</u>	<u>3,025</u>	<u>14,631</u>
FUND BALANCES			
Unreserved	-	145,846	-
	<u>-</u>	<u>145,846</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 435</u>	<u>\$ 148,871</u>	<u>\$ 14,631</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND

June 30, 2007

	Safe School State Aid	Truants Alternative/ Optional Education	ADA State Aid
ASSETS			
Cash	\$ 210,058	\$ 28,321	\$ 352,384
Accounts receivable	58	-	-
Due from other governments	19	-	3,339
	<u>19</u>	<u>-</u>	<u>3,339</u>
Total assets	<u>\$ 210,135</u>	<u>\$ 28,321</u>	<u>\$ 355,723</u>
LIABILITIES			
Accounts payable	\$ 2,379	\$ -	\$ 580
Accrued salaries and benefits	3,731	28,320	22,331
Due to other funds	-	-	-
Due to other governments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>6,110</u>	<u>28,320</u>	<u>22,911</u>
FUND BALANCES			
Unreserved	<u>204,025</u>	<u>1</u>	<u>332,812</u>
Total liabilities and fund balances	<u>\$ 210,135</u>	<u>\$ 28,321</u>	<u>\$ 355,723</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND

June 30, 2007

	Title IV Safe and Drug Free Schools	Title II Teacher Quality	Title V Innovative Programs
ASSETS			
Cash	\$ -	\$ 1,764	\$ -
Accounts receivable	-	-	-
Due from other governments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 1,764</u>	<u>\$ -</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Unreserved	-	1,764	-
	<u>-</u>	<u>1,764</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 1,764</u>	<u>\$ -</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND

June 30, 2007

	Regional Safe Schools	Special Education for Department of Corrections	Early Childhood Block Grant
ASSETS			
Cash	\$ 14,817	\$ 1	\$ -
Accounts receivable	-	-	-
Due from other governments	-	919,065	23,991
Total assets	<u>\$ 14,817</u>	<u>\$ 919,066</u>	<u>\$ 23,991</u>
LIABILITIES			
Accounts payable	\$ 1,119	\$ 505	\$ 6,568
Accrued salaries and benefits	13,698	159,033	7,942
Due to other funds	-	735,843	9,481
Due to other governments	-	23,621	-
Total liabilities	<u>14,817</u>	<u>919,002</u>	<u>23,991</u>
FUND BALANCES			
Unreserved	-	64	-
Total liabilities and fund balances	<u>\$ 14,817</u>	<u>\$ 919,066</u>	<u>\$ 23,991</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND

June 30, 2007

	Not on Tobacco	Title I Reading First	Title I Reading First II
ASSETS			
Cash	\$ 394	\$ 2	\$ -
Accounts receivable	-	-	-
Due from other governments	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 394</u>	<u>\$ 2</u>	<u>\$ -</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Unreserved	<u>394</u>	<u>2</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 394</u>	<u>\$ 2</u>	<u>\$ -</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND

June 30, 2007

	Adult Transition Center	System of Support Grant	Baby Talk System of Support
ASSETS			
Cash	\$ -	\$ -	\$ -
Accounts receivable	-	-	-
Due from other governments	16,202	32,230	7,560
Total assets	<u>\$ 16,202</u>	<u>\$ 32,230</u>	<u>\$ 7,560</u>
LIABILITIES			
Accounts payable	\$ 12	\$ 235	\$ -
Accrued salaries and benefits	1,435	1,298	390
Due to other funds	14,755	30,697	7,170
Due to other governments	-	-	-
Total liabilities	<u>16,202</u>	<u>32,230</u>	<u>7,560</u>
FUND BALANCES			
Unreserved	-	-	-
Total liabilities and fund balances	<u>\$ 16,202</u>	<u>\$ 32,230</u>	<u>\$ 7,560</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND

June 30, 2007

	Title II Teacher Quality II	System of Support State	Early Childhood Block Grant II
ASSETS			
Cash	\$ -	\$ -	\$ -
Accounts receivable	-	-	-
Due from other governments	4,334	3,875	8,252
Total assets	<u>\$ 4,334</u>	<u>\$ 3,875</u>	<u>\$ 8,252</u>
LIABILITIES			
Accounts payable	\$ 1,292	\$ -	\$ 1,402
Accrued salaries and benefits	-	181	1,441
Due to other funds	3,042	3,694	5,409
Due to other governments	-	-	-
Total liabilities	<u>4,334</u>	<u>3,875</u>	<u>8,252</u>
FUND BALANCES			
Unreserved	-	-	-
Total liabilities and fund balances	<u>\$ 4,334</u>	<u>\$ 3,875</u>	<u>\$ 8,252</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS (Continued)
 EDUCATION FUND
 June 30, 2007

	Standards Aligned Classroom Project SAC Teams	Early Childhood Block Grant - Continuing Three to Five	Preschool for All
ASSETS			
Cash	\$ 143	\$ -	\$ 2,541
Accounts receivable	-	-	-
Due from other governments	-	4,297	1,259
Total assets	<u>\$ 143</u>	<u>\$ 4,297</u>	<u>\$ 3,800</u>
LIABILITIES			
Accounts payable	\$ 143	\$ 1,461	\$ 3,800
Accrued salaries and benefits	-	877	-
Due to other funds	-	1,959	-
Due to other governments	-	-	-
Total liabilities	<u>143</u>	<u>4,297</u>	<u>3,800</u>
FUND BALANCES			
Unreserved	-	-	-
Total liabilities and fund balances	<u>\$ 143</u>	<u>\$ 4,297</u>	<u>\$ 3,800</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF ACCOUNTS (Continued)
 EDUCATION FUND
 June 30, 2007

	Early Childhood Block Grant - Preschool Social	Totals
ASSETS		
Cash	\$ 14	\$ 761,711
Accounts receivable	-	70
Due from other governments	-	1,041,887
	<u>14</u>	<u>1,041,887</u>
Total assets	<u>\$ 14</u>	<u>\$ 1,803,668</u>
LIABILITIES		
Accounts payable	\$ -	\$ 24,155
Accrued salaries and benefits	14	244,772
Due to other funds	-	826,211
Due to other governments	-	23,621
	<u>14</u>	<u>1,118,759</u>
Total liabilities	<u>14</u>	<u>1,118,759</u>
FUND BALANCES		
Unreserved	-	684,909
	<u>-</u>	<u>684,909</u>
Total liabilities and fund balances	<u>\$ 14</u>	<u>\$ 1,803,668</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 For the year ended June 30, 2007

	Adult Education Performance	Adult Education Public Assistance	Adult Education State Basic
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	69,157	39,279	27,325
Federal sources	-	-	-
Interest	-	-	-
Total revenues	69,157	39,279	27,325
Expenditures:			
Salaries and benefits	46,638	30,647	25,452
Purchased services	17,600	4,933	873
Supplies and materials	4,919	3,699	1,000
Capital outlay	-	-	-
Payments to other governments	-	-	-
Total expenditures	69,157	39,279	27,325
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	1
Fund balances, end of year	\$ -	\$ -	\$ 1

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 EDUCATION FUND ACCOUNTS
 For the year ended June 30, 2007

	Adult Education Federal Basic	Adult Education	WIA - Year Round Youth Program I
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	-
Federal sources	27,246	-	69,209
Interest	-	-	-
Total revenues	27,246	-	69,209
Expenditures:			
Salaries and benefits	24,424	110,458	49,421
Purchased services	1,928	23,482	13,209
Supplies and materials	894	241	6,579
Capital outlay	-	-	-
Payments to other governments	-	-	-
Total expenditures	27,246	134,181	69,209
Excess (deficiency) of revenues over (under) expenditures	-	(134,181)	-
Other financing sources (uses):			
Transfers in	-	125,091	-
Transfers out	-	-	-
Total other financing sources (uses)	-	125,091	-
Net change in fund balances	-	(9,090)	-
Fund balances, beginning of year	-	154,936	-
Fund balances, end of year	\$ -	\$ 145,846	\$ -

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 EDUCATION FUND ACCOUNTS
 For the year ended June 30, 2007

	Safe School State Aid	Truants Alternative/ Optional Education	ADA State Aid
Revenues:			
Local sources	\$ 19,401	\$ -	\$ 9,806
State sources	137,671	280,900	692,006
Federal sources	6,046	-	-
Interest	-	-	-
Total revenues	163,118	280,900	701,812
Expenditures:			
Salaries and benefits	108,745	198,759	279,711
Purchased services	50,597	82,140	96,647
Supplies and materials	3,572	-	20,724
Capital outlay	-	-	-
Payments to other governments	-	-	-
Total expenditures	162,914	280,899	397,082
Excess (deficiency) of revenues over (under) expenditures	204	1	304,730
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	(131,638)
Total other financing sources (uses)	-	-	(131,638)
Net change in fund balances	204	1	173,092
Fund balances, beginning of year	203,821	-	159,720
Fund balances, end of year	\$ 204,025	\$ 1	\$ 332,812

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 EDUCATION FUND ACCOUNTS
 For the year ended June 30, 2007

	Title IV Safe and Drug Free Schools	Title II Teacher Quality	Title V Innovative Programs
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	-
Federal sources	116	3,542	73
Interest	-	-	-
Total revenues	<u>116</u>	<u>3,542</u>	<u>73</u>
Expenditures:			
Salaries and benefits	-	-	-
Purchased services	-	3,542	-
Supplies and materials	116	-	73
Capital outlay	-	-	-
Payments to other governments	-	-	-
Total expenditures	<u>116</u>	<u>3,542</u>	<u>73</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>1,764</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 1,764</u>	<u>\$ -</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 EDUCATION FUND ACCOUNTS
 For the year ended June 30, 2007

	Regional Safe Schools	Special Education for Department of Corrections	Early Childhood Block Grant
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	195,909	3,340,929	606,259
Federal sources	-	565,579	-
Interest	-	137	-
Total revenues	195,909	3,906,645	606,259
Expenditures:			
Salaries and benefits	144,285	3,557,172	494,637
Purchased services	40,838	349,473	73,967
Supplies and materials	10,786	-	32,157
Capital outlay	-	-	5,498
Payments to other governments	-	-	-
Total expenditures	195,909	3,906,645	606,259
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	64	-
Fund balances, end of year	\$ -	\$ 64	\$ -

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 EDUCATION FUND ACCOUNTS
 For the year ended June 30, 2007

	Not on Tobacco	Title I Reading First	Title I Reading First II
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	-
Federal sources	-	60,451	53
Interest	-	-	-
Total revenues	-	60,451	53
Expenditures:			
Salaries and benefits	-	-	-
Purchased services	-	40	-
Supplies and materials	-	35,730	53
Capital outlay	-	-	-
Payments to other governments	-	24,679	-
Total expenditures	-	60,449	53
Excess (deficiency) of revenues over (under) expenditures	-	2	-
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	2	-
Fund balances, beginning of year	394	-	-
Fund balances, end of year	\$ 394	\$ 2	\$ -

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 EDUCATION FUND ACCOUNTS
 For the year ended June 30, 2007

	Adult Transition Center	System of Support Grant	Baby Talk System of Support
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	72,557	-	31,861
Federal sources	-	222,370	-
Interest	-	-	-
Total revenues	<u>72,557</u>	<u>222,370</u>	<u>31,861</u>
Expenditures:			
Salaries and benefits	69,701	156,502	31,239
Purchased services	1,225	35,396	622
Supplies and materials	1,631	30,472	-
Capital outlay	-	-	-
Payments to other governments	-	-	-
Total expenditures	<u>72,557</u>	<u>222,370</u>	<u>31,861</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 EDUCATION FUND ACCOUNTS
 For the year ended June 30, 2007

	Title II Teacher Quality II	System of Support State	Early Childhood Block Grant II
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	-	17,740	100,000
Federal sources	19,308	-	-
Interest	-	-	-
	<u>19,308</u>	<u>17,740</u>	<u>100,000</u>
Total revenues			
	<u>19,308</u>	<u>17,740</u>	<u>100,000</u>
Expenditures:			
Salaries and benefits	-	12,413	86,139
Purchased services	15,083	5,014	10,464
Supplies and materials	4,225	313	3,397
Capital outlay	-	-	-
Payments to other governments	-	-	-
	<u>19,308</u>	<u>17,740</u>	<u>100,000</u>
Total expenditures			
	<u>19,308</u>	<u>17,740</u>	<u>100,000</u>
Excess (deficiency) of revenues over (under) expenditures			
	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)			
	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances			
	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year			
	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 EDUCATION FUND ACCOUNTS
 For the year ended June 30, 2007

	Standards Aligned Classroom Project SAC Teams	Early Childhood Block Grant - Continuing Three to Five	Preschool for All
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	-	60,600	40,809
Federal sources	11,662	-	-
Interest	-	-	-
Total revenues	11,662	60,600	40,809
Expenditures:			
Salaries and benefits	-	52,693	-
Purchased services	8,162	4,919	38,680
Supplies and materials	3,500	2,988	109
Capital outlay	-	-	2,020
Payments to other governments	-	-	-
Total expenditures	11,662	60,600	40,809
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 EDUCATION FUND ACCOUNTS
 For the year ended June 30, 2007

	Early Childhood Block Grant - Preschool Social	Eliminations	Totals
Revenues:			
Local sources	\$ -	\$ -	\$ 29,207
State sources	3,395	-	5,716,397
Federal sources	-	-	985,655
Interest	-	-	137
Total revenues	3,395	-	6,731,396
Expenditures:			
Salaries and benefits	261	-	5,479,297
Purchased services	2,724	-	881,558
Supplies and materials	410	-	167,588
Capital outlay	-	-	7,518
Payments to other governments	-	-	24,679
Total expenditures	3,395	-	6,560,640
Excess (deficiency) of revenues over (under) expenditures	-	-	170,756
Other financing sources (uses):			
Transfers in	-	(125,091)	-
Transfers out	-	125,091	(6,547)
Total other financing sources (uses)	-	-	(6,547)
Net change in fund balances	-	-	164,209
Fund balances, beginning of year	-	-	520,700
Fund balances, end of year	\$ -	\$ -	\$ 684,909

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 ADULT EDUCATION PERFORMANCE - PROJECT #537AA
 For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 69,157	\$ 69,157	\$ 69,157	\$ -
Expenditures:				
Salaries and benefits	47,199	47,199	46,638	561
Purchased services	20,972	20,972	17,600	3,372
Supplies and materials	986	986	4,919	(3,933)
Total expenditures	69,157	69,157	69,157	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 ADULT EDUCATION PUBLIC ASSISTANCE - PROJECT #537AA
 For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 37,446	\$ 39,279	\$ 39,279	\$ -
Expenditures:				
Salaries and benefits	31,016	31,016	30,647	369
Purchased services	4,437	4,437	4,933	(496)
Supplies and materials	1,993	3,826	3,699	127
Total expenditures	37,446	39,279	39,279	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 ADULT EDUCATION STATE BASIC - PROJECT #537AA
 For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 26,325	\$ 27,325	\$ 27,325	\$ -
Expenditures:				
Salaries and benefits	25,821	25,821	25,452	369
Purchased services	504	504	873	(369)
Supplies and materials	-	1,000	1,000	-
Total expenditures	26,325	27,325	27,325	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			1	
Fund balance, end of year			\$ 1	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 ADULT EDUCATION FEDERAL BASIC - PROJECT #537AA
 For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Federal sources	\$ 27,246	\$ 27,246	\$ 27,246	\$ -
Expenditures:				
Salaries and benefits	24,780	24,780	24,424	356
Purchased services	1,725	1,725	1,928	(203)
Supplies and materials	741	741	894	(153)
Total expenditures	27,246	27,246	27,246	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TRUANTS ALTERNATIVE/OPTIONAL EDUCATION - PROJECT #07-3695-00
 For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 262,523	\$ 280,900	\$ 280,900	\$ -
Expenditures:				
Salaries and benefits	198,364	198,759	198,759	-
Purchased services	64,159	82,141	82,140	1
Total expenditures	262,523	280,900	280,899	1
Excess of revenues over expenditures	\$ -	\$ -	1	\$ 1
Fund balance, beginning of year			-	
Fund balance, end of year			\$ 1	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TITLE IV SAFE AND DRUG FREE SCHOOLS - PROJECT #07-4400-00
 For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Federal sources	\$ 116	\$ 116	\$ 116	\$ -
Expenditures:				
Supplies and materials	116	116	116	-
Total expenditures	116	116	116	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TITLE II TEACHER QUALITY - PROJECT #07-4932-00
 For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Federal sources	\$ 3,542	\$ 3,542	\$ 3,542	\$ -
Expenditures:				
Purchased services	3,542	3,542	3,542	-
Total expenditures	3,542	3,542	3,542	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			1,764	
Fund balance, end of year			\$ 1,764	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TITLE V INNOVATIVE PROGRAMS - PROJECT #07-4100-00
 For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Federal sources	\$ 73	\$ 73	\$ 73	\$ -
Expenditures:				
Supplies and materials	73	73	73	-
Total expenditures	73	73	73	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 REGIONAL SAFE SCHOOLS - PROJECT #07-3696-00
 For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 195,909	\$ 195,909	\$ 195,909	\$ -
Expenditures:				
Salaries and benefits	144,917	144,097	144,285	(188)
Purchased services	42,133	42,133	40,838	1,295
Supplies and materials	8,859	9,679	10,786	(1,107)
Total expenditures	195,909	195,909	195,909	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 EARLY CHILDHOOD BLOCK GRANT - PROJECT #07-3705-01
 For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 600,256	\$ 606,259	\$ 606,259	\$ -
Expenditures:				
Salaries and benefits	456,484	496,033	494,637	1,396
Purchased services	119,368	76,876	73,967	2,909
Supplies and materials	24,404	28,750	32,157	(3,407)
Capital outlay	-	4,600	5,498	(898)
Total expenditures	600,256	606,259	606,259	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TITLE I READING FIRST - PROJECT #06-4337-01
 For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Federal sources	\$ 92,884	\$ 137,813	\$ 60,451	\$ (77,362)
Expenditures:				
Salaries and benefits	63,769	57,252	-	57,252
Purchased services	24,805	13,971	40	13,931
Supplies and materials	4,310	41,911	35,730	6,181
Payments to other governments	-	24,679	24,679	-
Total expenditures	92,884	137,813	60,449	77,364
Excess of revenues over expenditures	\$ -	\$ -	2	\$ 2
Fund balance, beginning of year			-	
Fund balance, end of year			\$ 2	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TITLE I READING FIRST II - PROJECT #06-4337-02
 For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Federal sources	\$ 10,355	\$ 15,426	\$ 53	\$ (15,373)
Expenditures:				
Salaries and benefits	3,010	3,010	-	3,010
Purchased services	363	363	-	363
Supplies and materials	6,982	12,053	53	12,000
Total expenditures	10,355	15,426	53	15,373
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 EARLY CHILDHOOD BLOCK GRANT II - PROJECT #07-3705-61
 For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Expenditures:				
Salaries and benefits	83,486	86,664	86,139	525
Purchased services	13,852	10,674	10,464	210
Supplies and materials	2,662	2,662	3,397	(735)
Total expenditures	100,000	100,000	100,000	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 EARLY CHILDHOOD BLOCK GRANT - CONTINUING THREE TO FIVE -
 PROJECT #07-3705-00
 For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 60,000	\$ 60,600	\$ 60,600	\$ -
Expenditures:				
Salaries and benefits	51,211	52,868	52,693	175
Purchased services	6,294	5,303	4,919	384
Supplies and materials	2,495	2,429	2,988	(559)
Total expenditures	60,000	60,600	60,600	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 EARLY CHILDHOOD BLOCK GRANT - PRESCHOOL SOCIAL -
 PROJECT #07-3705-SE
 For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources	\$ 3,395	\$ 3,395	\$ 3,395	\$ -
Expenditures:				
Salaries and benefits	264	264	261	3
Purchased services	2,881	2,881	2,724	157
Supplies and materials	250	250	410	(160)
Total expenditures	3,395	3,395	3,395	-
Excess of revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2007

	Institute	General Education Development	Film Library	Bus Permit
ASSETS				
Cash	\$ 95,391	\$ 20,040	\$ 3,964	\$ 3,345
Investments	6,558	-	-	-
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 101,949</u>	<u>\$ 20,040</u>	<u>\$ 3,964</u>	<u>\$ 3,345</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 126	\$ -
Accrued salaries and benefits	-	-	600	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	48,415	-	-	-
Total liabilities	<u>48,415</u>	<u>-</u>	<u>726</u>	<u>-</u>
FUND BALANCES				
Unreserved	<u>53,534</u>	<u>20,040</u>	<u>3,238</u>	<u>3,345</u>
Total liabilities and fund balances	<u>\$ 101,949</u>	<u>\$ 20,040</u>	<u>\$ 3,964</u>	<u>\$ 3,345</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2007

	<u>Supervisory</u>	<u>Regional Board of Trustees</u>	<u>Junior Achievement</u>	<u>Futures Pop Fund</u>
ASSETS				
Cash	\$ 19	\$ 573	\$ 3,483	\$ 1,495
Investments	-	-	-	-
Accounts receivable	-	-	-	375
Due from other governments	-	-	-	-
	<u>19</u>	<u>573</u>	<u>3,483</u>	<u>1,870</u>
Total assets	<u>\$ 19</u>	<u>\$ 573</u>	<u>\$ 3,483</u>	<u>\$ 1,870</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 951
Accrued salaries and benefits	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>951</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>951</u>
FUND BALANCES				
Unreserved	<u>19</u>	<u>573</u>	<u>3,483</u>	<u>919</u>
Total liabilities and fund balances	<u>\$ 19</u>	<u>\$ 573</u>	<u>\$ 3,483</u>	<u>\$ 1,870</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2007

	St. Mary's Hospital School	Student Council	Teachers' Exchange	Decatur Education Conference
ASSETS				
Cash	\$ 48,413	\$ 119	\$ 86,981	\$ 12,451
Investments	-	-	-	-
Accounts receivable	-	-	8,008	-
Due from other governments	22,446	-	-	-
Total assets	\$ 70,859	\$ 119	\$ 94,989	\$ 12,451
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	811	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	91,742	-
Deferred revenue	-	-	-	-
Total liabilities	811	-	91,742	-
FUND BALANCES				
Unreserved	70,048	119	3,247	12,451
Total liabilities and fund balances	\$ 70,859	\$ 119	\$ 94,989	\$ 12,451

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2007

	Baby Talk	Partners in Education	Futures Foundation	World of Work
ASSETS				
Cash	\$ -	\$ 1	\$ 1,431	\$ -
Investments	-	-	-	-
Accounts receivable	17,277	-	27,994	-
Due from other governments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 17,277</u>	<u>\$ 1</u>	<u>\$ 29,425</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	1,333	-	-	-
Due to other funds	15,944	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>17,277</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Unreserved	-	1	29,425	-
	<u>-</u>	<u>1</u>	<u>29,425</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 17,277</u>	<u>\$ 1</u>	<u>\$ 29,425</u>	<u>\$ -</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2007

	Department of Corrections - GED Contract	Forming Critical Crisis Response Teams	Totals
ASSETS			
Cash	\$ -	\$ -	\$ 277,706
Investments	-	-	6,558
Accounts receivable	-	-	53,654
Due from other governments	3,790	-	26,236
	<u>3,790</u>	<u>-</u>	<u>26,236</u>
Total assets	<u>\$ 3,790</u>	<u>\$ -</u>	<u>\$ 364,154</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 1,077
Accrued salaries and benefits	-	-	2,744
Due to other funds	3,720	-	19,664
Due to other governments	-	-	91,742
Deferred revenue	-	-	48,415
	<u>3,720</u>	<u>-</u>	<u>163,642</u>
Total liabilities	<u>3,720</u>	<u>-</u>	<u>163,642</u>
FUND BALANCES			
Unreserved	<u>70</u>	<u>-</u>	<u>200,512</u>
Total liabilities and fund balances	<u>\$ 3,790</u>	<u>\$ -</u>	<u>\$ 364,154</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the year ended June 30, 2007

	Institute	General Education Development	Film Library	Bus Permit
Revenues:				
Local sources	\$ 18,861	\$ 18,369	\$ 32,671	\$ 1,816
State sources	-	-	-	960
Federal sources	-	-	-	-
Interest	2,574	538	303	87
Total revenues	21,435	18,907	32,974	2,863
Expenditures:				
Salaries and benefits	-	-	27,627	-
Purchased services	467	11,849	1,217	1,901
Supplies and materials	921	2,299	3,731	23
Total expenditures	1,388	14,148	32,575	1,924
Excess (deficiency) of revenues over (under) expenditures	20,047	4,759	399	939
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(10,000)	-	-	-
Total other financing sources (uses)	(10,000)	-	-	-
Net change in fund balances	10,047	4,759	399	939
Fund balances, beginning of year	43,487	15,281	2,839	2,406
Fund balances, end of year	\$ 53,534	\$ 20,040	\$ 3,238	\$ 3,345

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 NONMAJOR SPECIAL REVENUE FUNDS
 For the year ended June 30, 2007

	Supervisory	Regional Board of Trustees	Junior Achievement	Futures Pop Fund
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ 6,784
State sources	2,000	-	-	-
Federal sources	-	-	-	-
Interest	7	15	-	-
Total revenues	2,007	15	-	6,784
Expenditures:				
Salaries and benefits	-	-	-	-
Purchased services	2,000	-	-	-
Supplies and materials	-	-	-	7,585
Total expenditures	2,000	-	-	7,585
Excess (deficiency) of revenues over (under) expenditures	7	15	-	(801)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	7	15	-	(801)
Fund balances, beginning of year	12	558	3,483	1,720
Fund balances, end of year	\$ 19	\$ 573	\$ 3,483	\$ 919

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 NONMAJOR SPECIAL REVENUE FUNDS
 For the year ended June 30, 2007

	St. Mary's Hospital School	Student Council	Teachers' Exchange	Decatur Education Conference
Revenues:				
Local sources	\$ 90,393	\$ -	\$ 275,925	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	90,393	-	275,925	-
Expenditures:				
Salaries and benefits	82,242	-	-	-
Purchased services	4,663	-	275,921	6,804
Supplies and materials	318	-	4	269
Total expenditures	87,223	-	275,925	7,073
Excess (deficiency) of revenues over (under) expenditures	3,170	-	-	(7,073)
Other financing sources (uses):				
Transfers in	6,547	-	-	10,000
Transfers out	-	-	-	-
Total other financing sources (uses)	6,547	-	-	10,000
Net change in fund balances	9,717	-	-	2,927
Fund balances, beginning of year	60,331	119	3,247	9,524
Fund balances, end of year	\$ 70,048	\$ 119	\$ 3,247	\$ 12,451

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 NONMAJOR SPECIAL REVENUE FUNDS
 For the year ended June 30, 2007

	Baby Talk	Partners in Education	Futures Foundation	World of Work
Revenues:				
Local sources	\$ 137,586	\$ -	\$ 3,511	\$ 1,500
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>137,586</u>	<u>-</u>	<u>3,511</u>	<u>1,500</u>
Expenditures:				
Salaries and benefits	130,687	-	-	-
Purchased services	6,899	-	-	-
Supplies and materials	-	-	-	1,500
Total expenditures	<u>137,586</u>	<u>-</u>	<u>-</u>	<u>1,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>3,511</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	3,511	-
Fund balances, beginning of year	-	1	25,914	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 29,425</u>	<u>\$ -</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 NONMAJOR SPECIAL REVENUE FUNDS
 For the year ended June 30, 2007

	Department of Corrections - GED Contract	Forming Critical Crisis Response Teams	Eliminations	Totals
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ 587,416
State sources	13,498	-	-	16,458
Federal sources	-	544	-	544
Interest	-	-	-	3,524
Total revenues	13,498	544	-	607,942
Expenditures:				
Salaries and benefits	-	-	-	240,556
Purchased services	12,443	544	-	324,708
Supplies and materials	1,036	-	-	17,686
Total expenditures	13,479	544	-	582,950
Excess (deficiency) of revenues over (under) expenditures	19	-	-	24,992
Other financing sources (uses):				
Transfers in	-	-	(10,000)	6,547
Transfers out	-	-	10,000	-
Total other financing sources (uses)	-	-	-	6,547
Net change in fund balances	19	-	-	31,539
Fund balances, beginning of year	51	-	-	168,973
Fund balances, end of year	\$ 70	\$ -	\$ -	\$ 200,512

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS

June 30, 2007

	Distributive Fund	Project Success Fund	Heartland Region Fund	Totals
ASSETS				
Cash	\$ -	\$ -	\$ 18,336	\$ 18,336
Due from other governments	-	4,496	-	4,496
Due from other organizations	-	-	611	611
Total assets	<u>\$ -</u>	<u>\$ 4,496</u>	<u>\$ 18,947</u>	<u>\$ 23,443</u>
LIABILITIES				
Due to other governments	\$ -	\$ -	\$ 18,947	\$ 18,947
Due to other organizations	-	4,496	-	4,496
Total liabilities	<u>\$ -</u>	<u>\$ 4,496</u>	<u>\$ 18,947</u>	<u>\$ 23,443</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the year ended June 30, 2007

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
<u>DISTRIBUTIVE</u>				
ASSETS				
Cash	\$ -	\$ 3,239,148	\$ 3,239,148	\$ -
LIABILITIES				
Due to other funds	\$ -	\$ 2,265,806	\$ 2,265,806	\$ -
Due to other governments	-	973,342	973,342	-
Total liabilities	\$ -	\$ 3,239,148	\$ 3,239,148	\$ -
<u>PROJECT SUCCESS</u>				
ASSETS				
Cash	\$ -	\$ 49,951	\$ 49,951	\$ -
Due from other governments	4,496	49,951	49,951	4,496
Total assets	\$ 4,496	\$ 99,902	\$ 99,902	\$ 4,496
LIABILITIES				
Due to other organizations	\$ 4,496	\$ 49,951	\$ 49,951	\$ 4,496

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS

For the year ended June 30, 2007

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
<u>HEARTLAND REGION</u>				
ASSETS				
Cash	\$ 29,136	\$ 1,040,056	\$ 1,050,856	\$ 18,336
Due from other governments	7,164	1,033,503	1,040,667	-
Due from other organizations	-	611	-	611
Total assets	<u>\$ 36,300</u>	<u>\$ 2,074,170</u>	<u>\$ 2,091,523</u>	<u>\$ 18,947</u>
LIABILITIES				
Due to other governments	<u>\$ 36,300</u>	<u>\$ 1,040,056</u>	<u>\$ 1,057,409</u>	<u>\$ 18,947</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$ 29,136	\$ 4,329,155	\$ 4,339,955	\$ 18,336
Due from other governments	11,660	1,083,454	1,090,618	4,496
Due from other organizations	-	611	-	611
Total assets	<u>\$ 40,796</u>	<u>\$ 5,413,220</u>	<u>\$ 5,430,573</u>	<u>\$ 23,443</u>
LIABILITIES				
Due to other funds	\$ -	\$ 2,265,806	\$ 2,265,806	\$ -
Due to other governments	36,300	2,013,398	2,030,751	18,947
Due to other organizations	4,496	49,951	49,951	4,496
Total liabilities	<u>\$ 40,796</u>	<u>\$ 4,329,155</u>	<u>\$ 4,346,508</u>	<u>\$ 23,443</u>

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS
AND OTHERS
DISTRIBUTIVE FUND

For the year ended June 30, 2007

	Heartland Region	Futures Unlimited Alternative	ROE #39	Total
General State Aid	\$ -	\$ -	\$ 826,557	\$ 826,557
Special Ed. - Personnel	-	12,500	-	12,500
Career & Technical Ed. Improvement	689,545	-	-	689,545
Agriculture Education	18,888	-	-	18,888
State Free Lunch and Breakfast	-	-	304	304
School Breakfast Incentive	-	-	36	36
ROE School Bus Driver Training	-	-	960	960
Truants Alternative/Optional Ed.	-	-	280,900	280,900
Regional Safe Schools	-	-	195,909	195,909
Early Childhood - Block Grant	-	-	783,166	783,166
ROE and ISC Operations	-	-	87,032	87,032
Supervisory	-	-	2,000	2,000
Title V - Innovative Program-Formula	-	-	73	73
National School Lunch Program	-	-	4,897	4,897
School Breakfast Program	-	-	1,149	1,149
Title I - Reading First Part B SEA Funds	-	-	66,676	66,676
Title IV - Safe and Drug Free Schools-Formula	-	-	105	105
V.E. - Perkins - Title IIC - Secondary	264,909	-	-	264,909
Title II - Teacher Quality	-	-	3,542	3,542
TOTAL	<u>\$ 973,342</u>	<u>\$ 12,500</u>	<u>\$ 2,253,306</u>	<u>\$ 3,239,148</u>

FEDERAL FINANCIAL COMPLIANCE SECTION

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2007

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Project # (1st 8 digits) or Contract #	Federal Expenditures 7/1/06 - 6/30/07
U.S. Department of Education			
<i>Passed through the Illinois State Board of Education:</i>			
Title V - Innovative Program-Formula	84.298A	07-4100-00	\$ 73
Title IV - Safe & Drug Free Schools-Formula	84.186A	07-4400-00	116
Title II - Teacher Quality	84.367A	07-4932-00	3,542
Title I - Reading First Part B SEA Funds	84.357A	06-4337-01	60,451
Title I - Reading First Part B SEA Funds	84.357A	06-4337-02	53
Total Title I - Reading First Part B SEA Funds			60,504
Total Illinois State Board of Education			64,235
<i>Passed through Illinois State Board of Education passed through Illinois Community College Board:</i>			
Adult Education and Family Literacy (Federal Basic)	84.002A	537 AA	27,246
Total Illinois Community College Board			27,246
<i>Passed through Illinois State Board of Education passed through Regional Office of Education #32:</i>			
SOS Grant - Title I School Improvement	84.010A	06-4331-00	61,434
SOS Grant - Title I School Improvement	84.010A	07-4331-00	160,936
Total SOS Grant - Title I School Improvement			222,370
Title II - Teacher Quality	84.367A	06-4935-00	8,094
Title II - Teacher Quality	84.367A	07-4935-00	11,214
Total Title II - Teacher Quality			19,308
Total Regional Office of Education #32			241,678
<i>Passed through Illinois State Board of Education passed through Regional Office of Education #9:</i>			
Title I School Improvement & Accountability	84.010A	07-4331-00	11,662
Total Regional Office of Education #9			11,662
<i>Passed through Illinois State Board of Education passed through Special Ed. Agency - Department of Corrections:</i>			
(m) Federal - Special Education - IDEA Flow Through	84.027A	07-4620-00	565,579
Total Special Ed. Agency - Department of Corrections			565,579
Total U.S. Department of Education			910,400

(m) - Audited as a major program

The accompanying notes are an integral part of this schedule.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the year ended June 30, 2007

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Project # (1st 8 digits) or Contract #	Federal Expenditures 7/1/06 - 6/30/07
U.S. Department of Agriculture			
<i>Passed through Illinois State Board of Education:</i>			
National School Lunch Program	10.555	06-4210-00	728
National School Lunch Program	10.555	07-4210-00	4,169
Total National School Lunch Program			<u>4,897</u>
School Breakfast Program	10.553	06-4220-00	245
School Breakfast Program	10.553	07-4220-00	904
Total School Breakfast Program			<u>1,149</u>
Total Illinois State Board of Education			<u>6,046</u>
Total U.S. Department of Agriculture			<u>6,046</u>
U.S. Department of Labor			
<i>Passed through Macon County Workforce Investment Solutions:</i>			
WIA - Teen GED Academy	17.252	MPROE-06-1	69,209
Total Macon County Workforce Investment Solutions			<u>69,209</u>
Total U.S. Department of Labor			<u>69,209</u>
U.S. Department of Health and Human Services			
<i>Passed through Illinois Department of Human Services</i>			
Substance Abuse and Treatment Block Grant	93.959	11G7425000	25,104
Total Illinois Department of Human Services			<u>25,104</u>
Total U.S. Department of Health and Human Services			<u>25,104</u>
U.S. Department of Homeland Security			
<i>Passed through Illinois Emergency Management Agency passed through Illinois Emergency Services Management Association</i>			
Forming Critical Crisis Reponse Teams	97.073	07-4999-00	544
Total Illinois Emergency Services Management Association			<u>544</u>
Total U.S. Department of Homeland Security			<u>544</u>
TOTAL			<u>\$ 1,011,303</u>

(m) - Audited as a major program

Note: The Substance Abuse and Treatment Block Grant for \$25,104 was monies received by Project Success, an agency fund of the Regional Office. Therefore, the Schedule of Expenditures of Federal Awards can not be reconciled in its entirety to the financial statements of the Regional Office, and a difference of \$25,104 remains.

The accompanying notes are an integral part of this schedule.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2007

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Regional Office of Education #39 and is presented 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 in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the Regional Office of Education #39 provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Title I - Reading First Part B SEA Funds	84.357A	<u>\$ 24,679</u>
Substance Abuse and Treatment Block Grant	93.959	<u>\$ 25,104</u>

3. DESCRIPTION OF MAJOR FEDERAL PROGRAMS

Federal – Special Education – IDEA Flow Through – To account for monies received from federal funds to be used to implement special education programs for School District #428 of the Department of Corrections.

4. NON-CASH ASSISTANCE

This note is not applicable to Regional Office of Education #39.

5. AMOUNT OF INSURANCE

The note is not applicable to Regional Office of Education #39.

6. LOANS OR LOAN GUARANTEES OUTSTANDING

The note is not applicable to Regional Office of Education #39.

MACON-PIATT COUNTIES REGIONAL OFFICE OF EDUCATION #39

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For the year ended June 30, 2007

7. BACKGROUND INFORMATION ON ICCB FEDERAL GRANT ACTIVITY

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