

**State of Illinois
JACKSON AND PERRY COUNTIES
REGIONAL OFFICE OF EDUCATION #30
FINANCIAL AUDIT
(In Accordance with the Single Audit Act and
OMB Circular A-133)**

For the Year Ended June 30, 2008

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
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 FOR THE YEAR ENDED JUNE 30, 2008

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JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30

OFFICIALS

Regional Superintendent
(Current and during the Audit Period)

Mr. Robert Koehn

Assistant Regional Superintendent
(Current and during the Audit Period)

Ms. Donna Boros

Offices are located at:

Jackson County Office
Jackson County Court House
Murphysboro, IL 62966

Perry County Office
P.O. Box 285
Pinckneyville, IL 62274

COMPLIANCE REPORT SUMMARY

The compliance audit testing performed in 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	1	2
Repeated audit findings	1	1
Prior recommendations implemented or not repeated	1	1

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

An additional 4 matters which are less than a significant deficiency or material weakness but more than inconsequential, have been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, these issues may have been included as immaterial findings in the auditors' reports.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

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

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

NONE

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

07-01	15	Inadequate Internal Control Procedures	
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PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

N/A

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on October 2, 2008. Attending were Donna Boros, Assistant Regional Superintendent, Melinda Stuhrenberg, Controller, and Tami Colpitts-Knight, CPA, Manager, Kemper CPA Group LLP. Responses to the recommendations were provided by Robert Koehn, Regional Superintendent.

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of the Jackson and Perry Counties Regional Office of Education #30 was performed by Kemper CPA Group LLP, CPAs.

Based on their audit, the auditors expressed an unqualified opinion on the Jackson and Perry Counties Regional Office of Education #30's basic financial statements.

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

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

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated January 20, 2009, on our consideration of the Regional Office of Education #30'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 on pages 16a-16i, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Office of Education #30's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Disbursements to School District Treasurer's and Other Entities – Distributive Fund 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 *Guidelines to Auditing and Reporting for a Regional Office of Education*, 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 Treasurer's and Other Entities – Distributive Fund, 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.

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Marion, Illinois
January 20, 2009



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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #30, as of and for the year ended June 30, 2008, which collectively comprise the Regional Office of Education #30's basic financial statements and have issued our report thereon dated January 20, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Regional Office of Education #30'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 Regional Office of Education #30's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #30's internal control over financial reporting.

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

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

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 internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies, and, accordingly, would not necessarily disclose all significant deficiencies that are also considered material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Regional Office of Education #30's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters which we have reported to management of the Regional Office of Education #30 in a separate letter dated January 20, 2009.

Regional Office of Education #30's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Regional Office of Education #30's response and, accordingly, we express no opinion on it.

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

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Marion, Illinois
January 20, 2009



REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE FOR
EACH PROGRAM DETERMINED TO BE MAJOR BY THE ILLINOIS STATE BOARD
OF EDUCATION IN THEIR MONITORING OF FEDERAL PROGRAMS

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the compliance of the Regional Office of Education #30 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, 2008. The Regional Office of Education #30's major federal programs are 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 each of its major federal programs is the responsibility of the Regional Office of Education #30's management. Our responsibility is to express an opinion on the Regional Office of Education #30'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 criteria as required by the *Guidelines to Auditing and Reporting for a Regional Office of Education*. Those standards and criteria require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Regional Office of Education #30's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Regional Office of Education #30's compliance with those requirements.

In our opinion, the Regional Office of Education #30 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the Regional Office of Education #30 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Regional Office of Education #30's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #30'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 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 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 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.

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Marion, Illinois
January 20, 2009

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2008

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unqualified
Internal control over financial reporting:	
● Material weakness(es) identified?	No
● Significant deficiency(ies) identified that are not considered to be material weakness(es)?	Yes
● Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
● Material weakness(es) identified?	No
● Significant deficiency(ies) identified that are not considered to be material weakness(es)?	No
Type of auditor’s report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)?	No

Identification of **major** programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010A	Title I – School Improvement & Accountability

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as a low-risk auditee?	No

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 08-01 – Controls Over Financial Statement Preparation (Repeat of finding 07-02)

Criteria/specific requirement:

The Regional Office of Education #30 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Regional Office of Education #30 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenues, there were no entries made by the ROE to reconcile their grant activity, such as posting grant receivables and deferred revenues. The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles.

Effect:

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

Cause:

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

SECTION II – FINANCIAL STATEMENT FINDINGS (Concluded)

**Finding No. 08-01 – Controls Over Financial Statement Preparation (Repeat of finding 07-02)
(Concluded)**

Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #30 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

Management's Response:

The Regional Office of Education #30 understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Regional Office accepts the degree of risk associated with this condition because the added expense of seeking additional accounting expertise to prepare and/or review financial statements would take away from the funds available to provide educational services for the schools in our region.

In an attempt to correct this finding, the Regional Office sent the Controller to various trainings to better understand accrual accounting and reporting under generally accepted accounting principles (GAAP).

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

INSTANCES OF NONCOMPLIANCE:

NONE

SIGNIFICANT DEFICIENCIES:

NONE

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
JUNE 30, 2008

Corrective Action Plan

Finding No. 08-01

Condition:

The Regional Office of Education #30 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenues, there were no entries made by the ROE to reconcile their grant activity, such as posting grant receivables and deferred revenues. The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles.

Plan:

The Regional Office of Education #30 understands the nature of this finding and accepts the degree of risk associated with this condition because the added expense of seeking additional accounting expertise to prepare and/or review financial statements would take away from the funds available to provide educational services for the schools in our region.

The Regional Office will continue to send the Controller to various trainings to assist her in gaining a better understanding of accrual accounting and reporting under generally accepted accounting principles (GAAP).

Anticipated Date of Completion:

Ongoing

Name of Contact Person:

Mr. Robert Koehn, Regional Superintendent

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2008

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
07-01	Inadequate Internal Control Procedures	Corrected
07-02	Controls Over Financial Statement Preparation	Repeated as 08-01

MANAGEMENT'S DISCUSSION AND ANALYSIS

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008

The Jackson and Perry Counties Regional Office of Education #30 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2008. We encourage readers to consider this information in conjunction with the Regional Office of Education #30's financial statements, which follow.

The Jackson and Perry Counties Regional Office of Education #30 continued to develop the new reporting standards initiated in FY04. Comparisons are more meaningful and will go further in explaining the Agency's financial position and results of operations. This includes capabilities for closer monitoring and periodic analysis.

2008 FINANCIAL HIGHLIGHTS

- Governmental Activities total net assets remained relatively constant from \$436,024 in fiscal year 2007 to \$437,310 in fiscal year 2008 representing a modest increase of \$1,286.
- The Regional Office of Education Business-Type Activities decreased \$17,997 from \$121,614 in fiscal year 2007 to \$103,617 in fiscal year 2008. This decrease resulted from increased costs associated with delivering workshops as well as timing of accounts receivable.

USING THIS ANNUAL REPORT

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office of Education #30'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 #30 as a whole and present an overall view of the Regional Office of Education #30's finances.

The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Regional Office of Education #30's operations in more detail than the government-wide financial statements by providing information about the most significant funds.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Supplementary information further explains and supports the financial statements, and provides detailed information about the non-major funds.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008

REPORTING THE REGIONAL OFFICE OF EDUCATION #30 AS A WHOLE

The Statement of Net Assets and the Statement of Activities

The government-wide financial statements report information about the Regional Office of Education #30 as a whole using accounting methods similar to those used by private-sector companies. 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.

The two government-wide financial statements report the Regional Office of Education #30's net assets and how they have changed. Net assets are the difference between the assets and liabilities and are one way to measure the Regional Office of Education #30's financial health or position.

Over time, increases or decreases in the net assets are an indicator of whether financial position is improving or deteriorating, respectively.

To assess the Regional Office of Education #30'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.

In the government-wide financial statements, the Regional Office of Education #30's activities are divided into two categories:

Governmental activities: Most of the Regional Office of Education #30's basic services are included here, such as regular and special education instruction, student and instructional staff support services and administration. Local school districts, federal and state grants and State aid finance most of these activities.

Business-type activities: The Regional Office of Education #30 charges fees to help cover the costs of certain services and workshops it provides.

Fund Financial Statements

The fund financial statements provide detailed information about the Regional Office of Education #30's funds, focusing on its most significant or "major" funds – not the Regional Office of Education #30 as a whole. Funds are accounting devices the Regional Office of Education #30 uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by the State law. The Regional Office of Education #30 establishes other funds to control and manage money for particular purposes.

The Regional Office of Education #30 has three kinds of funds:

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008

**REPORTING THE REGIONAL OFFICE OF EDUCATION #30 AS A WHOLE
(Continued)**

Fund Financial Statements (Continued)

Governmental funds account for most of the Regional Office of Education #30's basic services. These focus on how cash and other financial assets that can readily be 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 financial resources that can be spent in the near future to finance the Regional Office of Education #30's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a reconciliation between the government-wide statements and the governmental fund statements follow each of the related governmental fund statements. The Regional Office of Education #30's governmental funds include: the General Fund and the Special Revenue Funds. The governmental fund's required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

Proprietary funds account for services for which the Regional Office of Education charges fees under a cost-reimbursement method. The proprietary fund's required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Fund Net Assets, and a Statement of Cash Flows.

Fiduciary funds account for assets that belong to others over which the Regional Office of Education #30 is the trustee, or fiduciary. The Regional Office of Education #30 is responsible for ensuring that the assets reported in these funds are used only for their intended purpose and by those to whom the assets belong. The Regional Office of Education #30 excludes these assets from the government-wide financial statements because it cannot use these assets to finance its operations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Statement of Net Assets reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The difference between the Regional Office of Education #30's assets and liabilities is its net assets. As noted earlier, net assets may serve over time as a useful indicator of financial position. The Jackson and Perry Counties Regional Office of Education #30 net assets at the end of fiscal year 2008 totaled approximately \$540,927. This compared to approximately \$557,638 at the end of fiscal year 2007.

This section will explain the differences between the current and prior year's assets, liabilities, and changes in net assets. The Regional Office of Education #30's financial activities include both governmental and business-type activities. The analysis that follows provides a summary of the Regional Office of Education's net assets at June 30, 2008 for the governmental and business-type activities.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

CONDENSED STATEMENT OF NET ASSETS

GOVERNMENTAL ACTIVITIES

	<u>2008</u>	<u>2007</u>	<u>Increase / (Decrease)</u>
Current Assets	\$ 397,136	\$ 423,178	(26,042)
Capital assets, being depreciated, net	<u>88,837</u>	<u>95,519</u>	(6,682)
 Total Assets	 <u>485,973</u>	 <u>518,697</u>	 (32,724)
 Current Liabilities	 <u>48,663</u>	 <u>82,673</u>	 (34,010)
Net Assets:			
Invested in capital assets	88,837	95,519	(6,682)
Unrestricted	262,467	260,314	2,153
Restricted for teacher professional development	<u>86,006</u>	<u>80,191</u>	5,815
 Total Net Assets	 <u><u>\$ 437,310</u></u>	 <u><u>\$ 436,024</u></u>	 1,286

The Regional Office of Education #30's governmental assets exceeded governmental liabilities (net assets) by \$437,310 at the close of the fiscal year. Cash and cash equivalents made up the majority of assets. The Regional Office of Education #30 uses its governmental net assets to perform general operations and to provide professional services to school districts in the region and surrounding areas.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

BUSINESS-TYPE ACTIVITIES

	2008	2007	Increase / (Decrease)
Current Assets	\$ 108,667	\$ 126,340	(17,673)
Capital assets, being depreciated, net	-	227	(227)
		-	-
Total Assets	108,667	126,567	(17,900)
		-	-
Current Liabilities	5,050	4,953	97
		-	-
Net Assets:			-
Invested in capital assets	-	227	(227)
Unrestricted	103,617	121,387	(17,770)
		-	-
Total Net Assets	\$ 103,617	\$ 121,614	(17,997)

The Regional Office of Education #30 uses its business-type net assets to provide workshop and training services to school districts in the region and surrounding areas. The decrease in current assets is due to the timing and the number of workshops sponsored by the Regional Office during fiscal year 2008.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

STATEMENT OF ACTIVITIES

GOVERNMENTAL
ACTIVITIES

	2008	2007	Increase / (Decrease)
Revenues:			
Program Revenues:			
Operating grants and contributions	\$ 784,342	\$ 518,788	265,554
General Revenues:			-
Local sources	60,157	68,674	(8,517)
State sources	87,226	219,455	(132,229)
On-behalf payments	410,233	359,243	50,990
Transfers	-	126	(126)
Investment earnings	19,027	20,173	(1,146)
Loss on asset disposals	-	(734)	734
Total Revenues	1,360,985	1,185,725	175,260
Expenses:			-
Instructional Services			-
Salaries and benefits	470,430	469,927	503
Purchased services	335,266	163,871	171,395
Supplies and materials	47,603	58,359	(10,756)
Other objects	1,023	270	753
Payments to other governments	79,458	81,382	(1,924)
Depreciation	15,686	14,456	1,230
Administrative Expense:			-
On-Behalf payments - State & Local	410,233	359,243	50,990
Total Expenses	1,359,699	1,147,508	212,191
Change in Net Assets	1,286	38,217	(36,931)
Net Assets - Beginning	436,024	397,807	38,217
Net Assets - Ending	\$ 437,310	\$ 436,024	1,286

Revenues from governmental activities were \$1,360,985 and expenses were \$1,359,699. The Regional Office of Education #30 total revenues increased primarily due to increases in grant funding to serve local schools. Total expenditures were increased due to increases in employee benefits and costs associated with increases in services and in-service expenses.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

STATEMENT OF ACTIVITIES			
BUSINESS-TYPE ACTIVITIES			
	2008	2007	Increase / (Decrease)
Revenues:			
Program Revenues:			
Charges for Services	\$ 68,510	\$ 53,059	15,451
General Revenues:			
Investment earnings	1,834	2,316	(482)
Total Revenues	70,344	55,375	14,969
Expenses:			
Salaries and benefits	18,666	7,308	11,358
Purchased services	44,409	33,032	11,377
Supplies and materials	24,856	5,806	19,050
Other objects	183	913	(730)
Depreciation	227	680	(453)
Total Expenses	88,341	47,739	40,602
Capital Contributions (Transfer out)	-	(126)	126
Change in Net Assets	(17,997)	7,510	(25,507)
Net Assets - Beginning	121,614	114,104	7,510
Net Assets - Ending	\$ 103,617	\$ 121,614	(17,997)

Revenues from business-type activities were \$70,344 and expenses were \$88,341 at the end of the fiscal year 2008 fiscal year. The Regional Office of Education #30's business-type activities include workshops that involve charges for service. Expenses include purchases of goods and supplies to support these activities. The increase in expenditures for services was due to the Regional Office providing high-cost workshops to school districts as compared to fiscal year 2007 without increasing workshop fee cost to districts. The increase also represents increases in salaries and benefits of current staff.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

As previously noted, the Regional Office of Education #30 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Regional Office of Education #30's governmental funds reported combined fund balances of \$437,310, an increase of \$1,286 over last year's ending fund balance of \$436,024.

Governmental Fund Highlights

- There was an overall increase from fiscal year 2007 in total grant dollars.
- Interest earnings varied from fiscal year 2007 as a result of the timing of distributions and varying interest rates.
- Changes in distribution of Title I – School Improvement & Accountability funds to qualified school districts account for the significant increase in purchased services.
- Federal TRS rates increased 3.3 percent from fiscal year 2007.

Proprietary Fund Highlights:

- Proprietary funds were used to support increases in salaries and benefits for personnel.
- The Proprietary Fund net assets decreased as a result of the number and the timing of workshops sponsored by the Regional Office in fiscal year 2008.
- Supplies and materials' costs increased.

BUDGETARY HIGHLIGHTS

The Regional Office of Education #30 annually adopts a budget on a basis consistent with U.S. generally accepted accounting principles; however, the annual budget is not required to be legally adopted. The Illinois State Board of Education reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the Illinois State Board of Education for final approval. The budget may be amended during the year utilizing procedures prescribed by the Illinois State Board of Education. A schedule showing the original and final budget amounts compared to the Regional Office of Education #30's actual financial activity is included in the supplementary information section of this report.

CAPITAL ASSETS

Capital Assets of the Regional Office of Education #30 include office equipment, computers, audio-visual equipment and office furniture. The Regional Office of Education #30 maintains an inventory of capital assets, which have been accumulated over time. The decrease in capital assets for governmental activities fiscal year 2008 is \$6,682. This decrease is a result of offsetting additions with depreciation expense for the year. The Regional Office of Education #30's ending net capital asset balance for fiscal year 2008 is \$88,837 for governmental activities, which is the total original cost of capital assets less accumulated depreciation.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the Regional Office of Education #30 was aware of several existing circumstances that could significantly affect its financial health in the future:

- The State of Illinois Foundation level for 2008-2009 used in the calculation of amount of state aid granted for each student has increased to \$5,959.
- Increases or decreases in grant and entitlement funding from the Illinois State Board of Education to deliver regional services will shape the Regional Office of Education's overall operations and finances.
- The timing of distributive funds will impact interest earned.
- Restructuring of the process and costs associated with the Mandatory Criminal Background/Fingerprinting checks will affect the finances of the ROE. Costs for this process are currently being prorated to the districts.
- Increased travel, utility, and facilities costs will impact expenditures in all funds
- IMRF and TRS rates will affect expenditures.
- Variations in staffing patterns and responsibilities will influence employee salaries and benefits.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Regional Office of Education #30's citizens, taxpayers, customers, and creditors with a general overview of the finances and to demonstrate the accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Regional Superintendent of the Regional Office of Education #30 at the Jackson County Courthouse, Murphysboro, Illinois 62966.

BASIC FINANCIAL STATEMENTS

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 235,095	\$ 106,967	\$ 342,062
Due from other governments			
Local	6,750	1,700	8,450
State	32,463	-	32,463
Federal	122,828	-	122,828
Total Current Assets	397,136	108,667	505,803
Noncurrent Assets:			
Capital assets, being depreciated, net	88,837	-	88,837
Total Assets	485,973	108,667	594,640
Liabilities			
Current Liabilities:			
Accounts payable	40,349	5,050	45,399
Deferred revenue	8,314	-	8,314
Total Current Liabilities	48,663	5,050	53,713
Net Assets			
Invested in capital assets	88,837	-	88,837
Restricted for teacher professional development	86,006	-	86,006
Unrestricted	262,467	103,617	366,084
Total Net Assets	\$ 437,310	\$ 103,617	\$ 540,927

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
Primary government:						
Governmental Activities:						
Instructional Services						
Salaries and benefits	\$ 470,430	\$ -	\$ 404,154	\$ (66,276)	\$ -	\$ (66,276)
Purchased services	335,266	-	270,295	(64,971)	-	(64,971)
Supplies and materials	47,603	-	21,431	(26,172)	-	(26,172)
Other objects	1,023	-	-	(1,023)	-	(1,023)
Depreciation	15,686	-	-	(15,686)	-	(15,686)
Capital outlay	-	-	9,004	9,004	-	9,004
Payments to other governments	79,458	-	79,458	-	-	-
Administrative:						
On-behalf payments - State	264,813	-	-	(264,813)	-	(264,813)
On-behalf payments - Local	145,420	-	-	(145,420)	-	(145,420)
Total Governmental Activities	1,359,699	-	784,342	(575,357)	-	(575,357)
Business-Type Activities:						
Registration Fees	88,341	68,510	-	-	(19,831)	(19,831)
Total Business-Type Activities	88,341	68,510	-	-	(19,831)	(19,831)
Total Primary Government	\$ 1,448,040	\$ 68,510	\$ 784,342	(575,357)	(19,831)	(595,188)
General Revenues:						
Local sources				60,157	-	60,157
State sources				87,226	-	87,226
On-behalf payments				410,233	-	410,233
Investment earnings				19,027	1,834	20,861
Total General Revenues, Special and Extraordinary Items, and Transfers				576,643	1,834	578,477
Change in Net Assets				1,286	(17,997)	(16,711)
Net Assets - Beginning				436,024	121,614	557,638
Net Assets - Ending				\$ 437,310	\$ 103,617	\$ 540,927

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	General Fund	Education Fund	Institute Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 16,483	\$ 127,578	\$ 86,006	\$ 5,028	\$ -	\$ 235,095
Due from other funds	-	127,189	-	-	(127,189)	-
Due from other governments						
Local	-	6,750	-	-	-	6,750
State	-	32,463	-	-	-	32,463
Federal	-	122,828	-	-	-	122,828
Total Assets	<u>\$ 16,483</u>	<u>\$ 416,808</u>	<u>\$ 86,006</u>	<u>\$ 5,028</u>	<u>\$ (127,189)</u>	<u>\$ 397,136</u>
Liabilities						
Accounts payable	\$ -	\$ 40,349	\$ -	\$ -	\$ -	\$ 40,349
Due to other funds	-	127,189	-	-	(127,189)	-
Deferred revenue	7	8,307	-	-	-	8,314
Total Liabilities	<u>7</u>	<u>175,845</u>	<u>-</u>	<u>-</u>	<u>(127,189)</u>	<u>48,663</u>
Fund Balances						
Unreserved, reported in:						
General fund	16,476	-	-	-	-	16,476
Special revenue funds	-	240,963	86,006	5,028	-	331,997
Total Fund Balances	<u>16,476</u>	<u>240,963</u>	<u>86,006</u>	<u>5,028</u>	<u>-</u>	<u>348,473</u>
Total Liabilities and Fund Balances	<u>\$ 16,483</u>	<u>\$ 416,808</u>	<u>\$ 86,006</u>	<u>\$ 5,028</u>	<u>\$ (127,189)</u>	<u>\$ 397,136</u>

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008

Total Fund Balances—Governmental Funds \$ 348,473

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

Capital assets used in governmental activities are not
financial resources and therefore, are not reported in the funds. 88,837

Net Assets of Governmental Activities \$ 437,310

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	General Fund	Education Fund	Institute Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
Revenues:						
Local sources	\$ 14,507	\$ 21,173	\$ 16,054	\$ 8,423	\$ -	\$ 60,157
Local sources - on behalf payments	145,420	-	-	-	-	145,420
State sources	71,662	493,244	-	2,360	-	567,266
State sources - on behalf payments	264,813	-	-	-	-	264,813
Federal sources	8,648	295,654	-	-	-	304,302
Total Revenues	<u>505,050</u>	<u>810,071</u>	<u>16,054</u>	<u>10,783</u>	<u>-</u>	<u>1,341,958</u>
Expenditures:						
Instructional Services						
Salaries and benefits	60,009	410,421	-	-	-	470,430
Purchased services	25,210	289,973	11,968	8,115	-	335,266
Supplies and materials	15,802	29,666	-	2,135	-	47,603
Other objects	-	-	186	837	-	1,023
Payments to other governments	-	79,458	-	-	-	79,458
On-behalf payments	410,233	-	-	-	-	410,233
Capital outlay	2,762	6,242	-	-	-	9,004
Total Expenditures	<u>514,016</u>	<u>815,760</u>	<u>12,154</u>	<u>11,087</u>	<u>-</u>	<u>1,353,017</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(8,966)</u>	<u>(5,689)</u>	<u>3,900</u>	<u>(304)</u>	<u>-</u>	<u>(11,059)</u>
Other Financing Sources (Uses):						
Transfers in	399	-	-	-	(399)	-
Transfers out	(399)	-	-	-	399	-
Interest	12,302	4,704	1,915	106	-	19,027
Total Other Financing Sources (Uses)	<u>12,302</u>	<u>4,704</u>	<u>1,915</u>	<u>106</u>	<u>-</u>	<u>19,027</u>
Net Change in Fund Balances	<u>3,336</u>	<u>(985)</u>	<u>5,815</u>	<u>(198)</u>	<u>-</u>	<u>7,968</u>
Fund Balances - Beginning	<u>13,140</u>	<u>241,948</u>	<u>80,191</u>	<u>5,226</u>	<u>-</u>	<u>340,505</u>
Fund Balances - Ending	<u>\$ 16,476</u>	<u>\$ 240,963</u>	<u>\$ 86,006</u>	<u>\$ 5,028</u>	<u>\$ -</u>	<u>\$ 348,473</u>

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

Net change in fund balances—total governmental funds	\$ 7,968
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Capital outlay	\$ 9,004	
Depreciation expense	<u>(15,686)</u>	<u>(6,682)</u>

Change in net assets of governmental activities	<u>\$ 1,286</u>
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The notes to the financial statements are an integral part of this statement.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008

	Business-Type Activities- Enterprise Fund	
	Local	
	Workshops	Total
Assets:		
Current Assets:		
Cash and cash equivalents	\$ 106,967	\$ 106,967
Due from other governments	1,700	1,700
Total Current Assets	108,667	108,667
Liabilities:		
Current Liabilities:		
Accounts payable	5,050	5,050
Total Current Liabilities	5,050	5,050
Net Assets		
Unrestricted	103,617	103,617
Total Net Assets	\$ 103,617	\$ 103,617

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Business-Type Activities— Enterprise Fund	
	Local Workshops	Total
	Operating Revenues:	
Local sources	\$ 68,510	\$ 68,510
Total Operating Revenues	68,510	68,510
Operating expenses:		
Salaries and benefits	18,666	18,666
Purchased services	44,409	44,409
Supplies and materials	24,856	24,856
Other objects	183	183
Depreciation	227	227
Total Operating Expenses	88,341	88,341
Operating Income (Loss)	(19,831)	(19,831)
Nonoperating Revenues:		
Interest income	1,834	1,834
Total Nonoperating Revenue	1,834	1,834
Change in Net Assets	(17,997)	(17,997)
Total Net Assets - Beginning	121,614	121,614
Total Net Assets - Ending	\$ 103,617	\$ 103,617

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Business-Type Activities- Enterprise Fund	
	Local	
	Workshops	Total
Cash Flows From Operating Activities:		
Workshop receipts	\$ 66,810	\$ 66,810
Payments to providers of services	(69,351)	(69,351)
Payments to employees	(18,666)	(18,666)
Net Cash Provided by (Used for) Operating Activities	(21,207)	(21,207)
Cash Flows from Investing Activities:		
Interest received on investments	1,834	1,834
Net Cash Provided by (Used for) Investing Activities	1,834	1,834
Net Decrease in Cash and Cash Equivalents	(19,373)	(19,373)
Cash and Cash Equivalents - Beginning	126,340	126,340
Cash and Cash Equivalents - Ending	\$ 106,967	\$ 106,967
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Operating Income (Loss)	\$ (19,831)	\$ (19,831)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	227	227
Change in assets and liabilities:		
Increase in accounts payable	97	97
Increase in accounts receivable	(1,700)	(1,700)
Net Cash Provided by (Used for) Operating Activities	\$ (21,207)	\$ (21,207)

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
JUNE 30, 2008

	Agency Funds
Assets	
Cash and cash equivalents	\$ 8,123
Due from other governments	3,676,761
Total Assets	\$ 3,684,884
Liabilities	
Due to other governments	\$ 3,684,884
Total Liabilities	\$ 3,684,884

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Jackson and Perry Counties Regional Office of Education #30 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2008, the Jackson and Perry Counties Regional Office of Education #30 implemented Governmental Accounting Standards Board (GASB) Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, and No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*. The Jackson and Perry Counties Regional Office of Education #30 implemented this standard during the current year, however; it has no impact on the financial statements.

GASB Statement No. 34 established a financial reporting model for State and local governments that included the addition of Management's Discussion and Analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups to the already required fund financial statements and notes.

FINANCIAL REPORTING ENTITY

The Regional Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teachers meetings and assist in their management; evaluate the schools in the region; examine school treasurer's books, accounts, and vouchers; examine evidence of indebtedness; file and keep the returns of elections required to be returned to the regional superintendent's office; and file and keep the reports and statements returned by school treasurers and trustees.

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

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL REPORTING ENTITY (Concluded)

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the Jackson and Perry Counties Regional Office of Education #30, or see that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2008, the Jackson and Perry Counties Regional Office of Education #30 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Jackson and Perry Counties Regional Office of Education #30. Such activities are reported as a single major special revenue fund (Education Fund).

SCOPE OF REPORTING ENTITY

The Jackson and Perry Counties Regional Office of Education #30 reporting entity includes all related organizations for which they exercise oversight responsibility.

The Jackson and Perry Counties Regional Office of Education #30 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Jackson and Perry Counties Regional Office of Education #30, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Jackson and Perry Counties Regional Office of Education #30 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Jackson and Perry Counties Regional Office of Education #30 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Jackson and Perry Counties Regional Office of Education #30 is not aware of any entity, which would exercise such oversight as to result in the Jackson and Perry Counties Regional Office of Education #30 being considered a component unit of the entity.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Jackson and Perry Counties Regional Office of Education #30's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Jackson and Perry Counties Regional Office of Education #30 has one business-type activity that relies on fees and charges for support.

The Jackson and Perry Counties Regional Office of Education #30's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental and business-type activities for the Jackson and Perry Counties Regional Office of Education #30 accompanied by a total column. These statements are presented on an "economic resources" measurement focus as prescribed by GASB Statement No. 34. All of the Jackson and Perry Counties Regional Office of Education #30's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services, and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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 are reported as separate columns in the fund financial statements.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and proprietary fund Statement of Net Assets and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Assets. All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Jackson and Perry Counties Regional Office of Education #30; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

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

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

Under the terms of grant agreements, Jackson and Perry Counties Regional Office of Education #30 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is Jackson and Perry Counties Regional Office of Education #30's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING

The Jackson and Perry Counties Regional Office of Education #30 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Jackson and Perry Counties Regional Office of Education #30 uses governmental, proprietary, and fiduciary funds.

Governmental Funds

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

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Jackson and Perry Counties Regional Office of Education #30 has presented all major funds that met the above qualifications.

The Jackson and Perry Counties Regional Office of Education #30 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of Jackson and Perry Counties Regional Office of Education #30. It is used to account for the expenditures, which benefit all school districts in the region except those required to be accounted for in other funds. General funds include the following:

School Service – This fund accounts for various services provided to Jackson and Perry Counties Regional Office of Education #30’s various programs and school districts within the region.

ROE/ISC Operations – This fund accounts for the professional development activities that took over the educational service centers.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

Governmental Funds (Continued)

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

Institute - This fund accounts for teacher certificate registration, issuance and evaluation fees for processing certificates and expenses to promote the professional growth of teachers and school personnel. All funds generated remain restricted until expended only on the aforementioned activities.

Education Fund - This fund is used to account for various grant and education enhancement programs as follows:

Special Programs –This program provides for miscellaneous expenses and programs that benefit the school districts and/or the Regional Office.

Title I - School Improvement and Accountability – This fund supports the improvement of basic programs operated by providing professional development for data analysis, school improvement plan/development, Standards-Aligned curriculum/instruction, and classroom assessment to System of Support Status schools on Academic Early Warning and Watch.

Truants Alternative/Optional Education – This program strives to keep truant kids in school.

Principal Mentoring – This program provides support and mentoring to new School District Principals.

McKinney Education for Homeless Children– This program aids the education of homeless children.

Technology - Learning Technology Centers – This program provides special grant funds for Regional Offices of Education #2, #21, and #30 for technology services.

Standards Aligned Classroom – This program provides standards aligned classroom initiatives coaching and support teams.

Learn and Serve America – This program provides direct and indirect support to facilitate service learning projects.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

Regional Safe Schools - This program provides funding for an alternative school program for disruptive youth in grades 6-9 whom have been removed from the regular school setting due to continuous disruptions in the classroom.

Program Accountability Liaison (PAL's) – This program provides a monitor for all Preschool programs. The intent is for the monitor to provide early detection of any problems with the program design or implementation and offer information for technical assistance.

Mathematics and Science Partnership – This program provides funding for delivering professional development and assistance to enhance mathematics and science instruction and practices.

The Jackson and Perry Counties Regional Office of Education #30 reports the following nonmajor governmental funds:

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

Bus Driver Training - This fund accounts for State and local receipts and expenses designed for initial and refresher courses of instruction for school bus drivers.

Supervisory - This fund accounts for State receipts provided to the Regional Office of Education to pay expenses as approved by the Regional Superintendent.

General Education Development - This fund accounts for the receipts and expenses related to administering the High School Equivalency Testing Program.

Proprietary Funds

Proprietary funds are those in which revenues and expenses related to services provided to an organization inside the Jackson and Perry Counties Regional Office of Education #30 on a cost reimbursement basis are reported.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Concluded)

The Jackson and Perry Counties Regional Office of Education #30 reports the following major proprietary funds:

Local Workshops – The local workshops fund is used to account for the workshop registration fees and expenses related to workshops sponsored by the Jackson and Perry Counties Regional Office of Education #30.

Fiduciary Funds

Agency Funds - Agency Funds are used to account for assets held by the Jackson and Perry Counties Regional Office of Education #30 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds include the following:

Distributive Fund – This fund distributes monies received from the State to the school districts and other entities.

Education for Employment – This is the Jackson and Perry Counties Regional Vocational Delivery System Coop which provides funding for technical and vocational classes within high schools.

Interest on Distributive Fund – The Regional Office of Education #30 has agreements with all districts in the region whereby the Regional Office of Education #30 is allowed to keep the interest for expenditures benefiting all districts.

NET ASSETS

Net assets present the difference between assets and liabilities in the Statement of Net Assets. Net assets are 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."

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit. The Jackson and Perry Counties Regional Office of Education #30 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

INVENTORY

Inventory is not recorded. The cost is recorded as an expenditure at the time individual inventory items are purchased.

CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets as follows:

Office Equipment and Furniture	5-10 years
Computer Equipment	3 - 5 years
Other Equipment	5-20 years

COMPENSATED ABSENCES

Non-certified and certified employees who work 12 calendar months earn up to 20 vacation days for a full year of service. The accumulated total of vacation days may never exceed 30 days. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days.

Employees receive up to 12 sick days annually and the unused portion is accumulated up to 180 days and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay and therefore; no liability is accrued.

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.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

BUDGET INFORMATION

The Jackson and Perry Counties Regional Office of Education #30 acts as the administrative agent for certain grant programs that are accounted for in the Education Fund. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however none of the annual budgets have been or are required to be legally adopted. The General Fund and certain programs within the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results are presented as supplemental information. Budget to actual statements are prepared for the General Fund ROE/ISC Operations. Budget to actual statements are also prepared for the following Education Fund accounts: Truants Alternative/Optional Education, McKinney Education for Homeless Children, Technology - Learning Technology Centers, Learn and Serve America, and Regional Safe Schools.

NOTE 2 - CASH

The Jackson and Perry Counties Regional Office of Education #30 does not have a formal investment policy. The Jackson and Perry Counties Regional Office of Education #30 is allowed to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

Deposits

At June 30, 2008, the carrying amount of the Jackson and Perry Counties Regional Office of Education #30's government-wide and Agency Fund deposits were \$342,062 and \$8,123, respectively, and the bank balance was \$370,949 and \$12,804 respectively. Of the total bank balances as of June 30, 2008, \$100,074 was secured by federal depository insurance and \$283,679 was collateralized by securities pledged by the Jackson and Perry Counties Regional Office of Education #30's financial institution on behalf of the Regional Office.

NOTE 3 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Jackson and Perry Counties Regional Office of Education #30 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.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 3 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate through June 30, 2008 was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2007 and 2006. In addition, virtually all members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The employer THIS Fund contribution was 0.63 percent during the year ended June 30, 2008, and the member THIS Fund health insurance contribution was 0.84 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Jackson and Perry Counties Regional Office of Education #30 TRS-covered employees.

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Jackson and Perry Counties Regional Office of Education #30. For the year ended June 30, 2008, State of Illinois contributions were based on 13.11 percent of creditable earnings not paid from federal funds, and the Jackson and Perry Counties Regional Office of Education #30 recognized revenue and expenditures of \$36,045 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2007, and June 30, 2006, the State of Illinois contribution rates as percentages of creditable earnings were 9.78 percent (\$26,395) and 7.06 percent (\$18,443), respectively. The state contributions to TRS for the years ended June 30, 2008 were based on an actuarial formula. The state contributions for the years ended June 30, 2007, and June 30, 2006 were based on dollar amounts specified by the statute and were not actuarially determined.

The Jackson and Perry Counties Regional Office of Education #30 makes other types of employer contributions directly to TRS.

- **2.2 formula contributions.** Employers contribute .58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2008 were \$1,595. Contributions for the years ending June 30, 2007, and June 30, 2006, were \$1,565 and \$1,515, respectively.
- **Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the Jackson and Perry Counties Regional Office of Education #30, there is a statutory requirement for the Jackson and Perry Counties Regional Office of Education #30 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. For the year ended June 30, 2008, the employer pension contribution was 13.11 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2007 and 2006, the employer contribution was 9.78 and 7.06 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2008, salaries totaling \$58,158 were paid from federal and special trust funds that required employer contributions of \$7,625. For the years ended June 30, 2007, and June 30 2006, required Jackson and Perry Counties Regional Office of Education #30 contributions were \$6,740 and \$7,327, respectively.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 3 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

- **Early Retirement Option.** The Jackson and Perry Counties Regional Office of Education #30 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).

Under 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, 2008, the Jackson and Perry Counties Regional Office of Education #30 paid no employer contributions for under the Pipeline ERO program. For the years ended June 30, 2007 and June 30, 2006, the Jackson and Perry Counties Regional Office of Education #30 paid no employer ERO contributions.

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

For the year ended June 30, 2008, the Regional Office of Education #30 paid no employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2007 and June 30, 2006, the Jackson and Perry Counties Regional Office of Education #30 paid no employer contributions on salary increases in excess of 6 percent.

- If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.62 percent of salary during the year ended June 30, 2008). For the year ended June 30, 2008, the Regional Office of Education #30 paid no contributions to TRS for sick leave days granted in the excess of the normal annual allotment. For the year ended June 30, 2007 and June 30, 2006, the Regional Office of Education #30 paid no employer contributions granted for sick leave days.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2008

NOTE 3 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Concluded)

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 year ended June 30, 2007. The report for the year ended June 30, 2008, is expected to be available in late 2008. The reports may be obtained by writing to the Teacher's Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

NOTE 4 - INTERFUND ACTIVITY

Due to / from other funds

Interfund due to / from other fund balances at June 30, 2008 consist of the following individual due to / from other funds in the governmental fund balance sheet. These amounts represent temporary loans for over expenditures in the various programs. These balances were eliminated in the government-wide Statement of Net Assets.

	Due From Other Funds	Due To Other Funds
<u>Education Fund</u>		
Title I - School Improvement & Accountability	\$ -	\$ 121,241
Program Accountability Liaison	-	5,344
Learn and Serve America	-	604
Regional Safe Schools	127,189	-
Total Transfers In / Out	\$ 127,189	\$ 127,189

Transfers

Interfund transfer in / out of other fund balances at June 30, 2008 consist of the following individual transfers in / out of other funds in the governmental fund balance sheet. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

	In	Out
<u>General Fund</u>		
ROE/ISC Operations	\$ -	\$ 399
School Service	399	-
Total Transfers In / Out	\$ 399	\$ 399

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2008

NOTE 5 - CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Jackson and Perry Counties Regional Office of Education #30 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental activities statements. Purchases of business-type capital assets are capitalized when purchased. Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2008 of \$15,686 and \$227 was charged to the governmental activities and business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2008:

	Balance July 1, 2007	Additions	Deletions	Reclassification	Balance June 30, 2008
Governmental Funds:					
<u>General Fund</u>					
ROE/ISC Operations	\$ 127,097	\$ 2,762	\$ -	\$ -	\$ 129,859
<u>Education Fund</u>					
Technology - Learning					
Technology Centers	108,335	2,915	-	-	111,250
Technology - Enhancing					
Education - Competitive	2,848	-	-	-	2,848
Title I - School Improvement					
& Accountability	1,449	-	-	-	1,449
Title I - Reading First Part B SEA	808	-	-	-	808
Regional Safe Schools	129,082	3,327	-	-	132,409
Special Programs	1,379	-	-	-	1,379
McKinney Education for Homeless					
Children	2,752	-	-	-	2,752
<u>Nonmajor Fund</u>					
Bus Drivers Training	9,924	-	-	-	9,924
Governmental Funds					
Total Capital Assets	383,674	9,004	-	-	392,678
Less: Accumulated Depreciation	288,155	15,686	-	-	303,841
Governmental Funds					
Investment in Capital Assets, Net	<u>\$ 95,519</u>	<u>\$ (6,682)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,837</u>
Business-type Activities:					
Local Workshop	\$ 2,040	\$ -	\$ -	\$ -	\$ 2,040
Business-type Activities					
Total Capital Assets	2,040	-	-	-	2,040
Less: Accumulated Depreciation	1,813	227	-	-	2,040
Business-type Activities					
Investment in Capital Assets, Net	<u>\$ 227</u>	<u>\$ (227)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2008

NOTE 6 - RISK MANAGEMENT

The Jackson and Perry Counties Regional Office of Education #30 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Jackson and Perry Counties Regional Office of Education #30 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

NOTE 7 - ON BEHALF PAYMENTS

Jackson County provides the Jackson and Perry Counties Regional Office of Education #30 with staff and pays certain expenditures on behalf of the Jackson and Perry Counties Regional Office of Education #30. The expenditures paid on the Jackson and Perry Counties Regional Office of Education #30's behalf for the year ended June 30, 2008, were as follows:

Salaries and benefits	\$ 109,627
Purchased Services	23,170
Supplies and Materials	6,600
Capital Outlay	1,000
General Liability Insurance	<u>5,023</u>
Total	<u>\$ 145,420</u>

The State of Illinois paid the following salaries on behalf of the Jackson and Perry Counties Regional Office of Education #30:

Regional Superintendent Salary	\$ 101,301
Regional Superintendent Benefits	
(Includes State paid insurance)	23,068
Assistant Regional Superintendent Salary	91,097
Assistant Regional Superintendent Benefits	
(Includes State paid insurance)	13,302
TRS Pension Contributions	<u>36,045</u>
Total	<u>\$ 264,813</u>

Salary and benefit data for Regional Superintendents and Assistant Regional Superintendents was calculated based on data provided by the Illinois State Board of Education. These amounts have been recorded in the accompanying governmental fund financial statements as local and State revenue and expenditures, respectively.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2008

NOTE 8 - DUE TO/FROM OTHER GOVERNMENTS

The Jackson and Perry Counties Regional Office of Education #30's General Fund, Agency Fund and various grant programs have funds due to and due from various other governmental units which consist of the following:

Due from Other Governments:

Fiduciary Fund

Illinois State Board of Education	\$3,676,761
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Proprietary Fund

Local School Districts	1,700
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Education Fund

Local	6,750
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State	32,463
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Federal	122,828
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Total	<u>\$ 3,840,502</u>
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Due to Other Governments:

Fiduciary Fund

Local School Districts	<u>\$ 3,684,884</u>
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Total	<u>\$ 3,684,884</u>
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SUPPLEMENTARY INFORMATION

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2008

	School Service	ROE/ISC Operations	TOTALS
Assets			
Cash and cash equivalents	\$ 16,476	\$ 7	\$ 16,483
Total Assets	<u>\$ 16,476</u>	<u>\$ 7</u>	<u>\$ 16,483</u>
Liabilities			
Deferred revenue	\$ -	\$ 7	\$ 7
Total Liabilities	<u>-</u>	<u>7</u>	<u>7</u>
Fund Balances			
Unreserved	16,476	-	16,476
Total Fund Balances	<u>16,476</u>	<u>-</u>	<u>16,476</u>
Total Liabilities and Fund Balances	<u>\$ 16,476</u>	<u>\$ 7</u>	<u>\$ 16,483</u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2008

	School Service	ROE/ISC Operations	TOTALS
Revenues:			
Local sources	\$ 14,507	\$ -	\$ 14,507
Local sources - payments made on behalf of region	145,420	-	145,420
State sources	-	71,662	71,662
State sources - payments made on behalf of region	264,813	-	264,813
Federal sources	8,648	-	8,648
Total Revenues	<u>433,388</u>	<u>71,662</u>	<u>505,050</u>
Expenditures:			
Salaries and benefits	-	60,009	60,009
Purchased services	19,691	5,519	25,210
Supplies and materials	12,368	3,434	15,802
Capital outlay	-	2,762	2,762
Payments made on behalf of region	410,233	-	410,233
Total Expenditures	<u>442,292</u>	<u>71,724</u>	<u>514,016</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(8,904)</u>	<u>(62)</u>	<u>(8,966)</u>
Other Financing Sources (Uses):			
Transfer in	399	-	399
Transfer out	-	(399)	(399)
Interest	12,240	62	12,302
Total Other Financing Sources (Uses)	<u>12,639</u>	<u>(337)</u>	<u>12,302</u>
Net Change in Fund Balances	3,735	(399)	3,336
Fund Balances - Beginning	<u>12,741</u>	<u>399</u>	<u>13,140</u>
Fund Balances - Ending	<u>\$ 16,476</u>	<u>\$ -</u>	<u>\$ 16,476</u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 BUDGETARY COMPARISON SCHEDULE
 (For the Period July 1, 2007 to June 30, 2008)
 GENERAL FUND ACCOUNTS
 ROE/ISC OPERATIONS
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State source	\$ 71,699	\$ 71,699	\$ 71,662
Total Revenues	<u>71,699</u>	<u>71,699</u>	<u>71,662</u>
Expenditures:			
Salaries and benefits	62,300	62,300	60,009
Purchased services	5,885	5,885	5,519
Supplies and materials	1,514	1,514	3,434
Capital outlay	2,000	2,000	2,762
Total Expenditures	<u>71,699</u>	<u>71,699</u>	<u>71,724</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(62)</u>
Other Financing Sources (Uses):			
Transfers out	-	-	(399)
Interest	-	-	62
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(337)</u>
Net Change in Fund Balances	-	-	(399)
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>399</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2008

	Special Programs	Title I - School Improvement & Accountability	Truants Alternative/Optional Education	Principal Mentoring	McKinney Education For Homeless Children	Technology-Learning Technology Centers
Assets						
Cash and cash equivalents	\$ 7,233	\$ -	\$ 13,673	\$ 1,476	\$ 1,811	\$ 47,499
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Local	-	-	-	6,750	-	-
State	-	-	4,976	-	-	21,862
Federal	-	121,241	-	-	-	-
Total Assets	\$ 7,233	\$ 121,241	\$ 18,649	\$ 8,226	\$ 1,811	\$ 69,361
Liabilities						
Accounts payable	\$ -	\$ -	\$ 18,649	\$ 6,000	\$ 1,753	\$ 13,702
Due to other funds	-	121,241	-	-	-	-
Deferred revenue	-	-	-	2,226	58	-
Total Liabilities	\$ -	\$ 121,241	\$ 18,649	\$ 8,226	\$ 1,811	\$ 13,702
Fund Balances						
Unreserved	7,233	-	-	-	-	55,659
Total Fund Balances	7,233	-	-	-	-	55,659
Total Liabilities and Fund Balances	\$ 7,233	\$ 121,241	\$ 18,649	\$ 8,226	\$ 1,811	\$ 69,361

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2008

	Standards Aligned Classroom	Learn & Serve America	Regional Safe Schools	Program Accountability Liaison	Mathematics and Science Partnership	Total
Assets						
Cash and cash equivalents	\$ 11	\$ -	\$ 50,882	\$ -	\$ 4,993	\$ 127,578
Due from other funds	-	-	127,189	-	-	127,189
Due from other governments	-	-	-	-	-	-
Local	-	-	-	-	-	6,750
State	-	-	-	5,625	-	32,463
Federal	-	1,587	-	-	-	122,828
Total Assets	\$ 11	\$ 1,587	\$ 178,071	\$ 5,625	\$ 4,993	\$ 416,808
Liabilities						
Accounts payable	\$ 11	\$ -	\$ -	\$ 234	\$ -	\$ 40,349
Due to other funds	-	604	-	5,344	-	127,189
Deferred revenue	-	983	-	47	4,993	8,307
Total Liabilities	11	1,587	-	5,625	4,993	175,845
Fund Balances						
Unreserved	-	-	178,071	-	-	240,963
Total Fund Balances	-	-	178,071	-	-	240,963
Total Liabilities and Fund Balances	\$ 11	\$ 1,587	\$ 178,071	\$ 5,625	\$ 4,993	\$ 416,808

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2008

	Special Programs	Title I - School Improvement & Accountability	Truants Alternative/Optional Education	Principal Mentoring	McKinney Education for Homeless Children	Technology-Learning Technology Centers
Revenues:						
Local sources	\$ 7,104	\$ -	\$ -	\$ 6,024	\$ -	\$ 2,348
State sources	-	-	139,626	-	-	150,880
Federal sources	-	271,183	-	-	12,954	-
Total Revenue	7,104	271,183	139,626	6,024	12,954	153,228
Expenditures:						
Salaries and benefits	-	62,751	72,105	-	7,030	102,563
Purchased services	1,026	202,675	8,766	6,024	2,627	20,531
Supplies and materials	5,859	5,757	2,650	-	3,313	2,686
Capital outlay	-	-	-	-	-	2,915
Payments to other governments	-	-	56,166	-	-	23,292
Total Expenditures	6,885	271,183	139,687	6,024	12,970	151,987
Excess (Deficiency) of Revenues Over Expenditures	219	-	(61)	-	(16)	1,241
Other Financing Sources (Uses):						
Interest	147	-	61	-	16	912
Total Other Financing Sources (Uses)	147	-	61	-	16	912
Net Change in Fund Balances	366	-	-	-	-	2,153
Fund Balance - Beginning	6,867	-	-	-	-	53,506
Fund Balance - Ending	\$ 7,233	\$ -	\$ -	\$ -	\$ -	\$ 55,659

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2008

	Standards Aligned Classroom	Learn & Serve America	Regional Safe Schools	Program Accountability Liaison	Mathematics and Science Partnership	Total
Revenues:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 5,697	\$ 21,173
Slate sources	-	-	177,238	25,500	-	493,244
Federal sources	4,500	7,017	-	-	-	295,654
Total Revenue	4,500	7,017	177,238	25,500	5,697	810,071
Expenditures:						
Salaries and benefits	3,423	2,252	155,174	1,711	3,412	410,421
Purchased services	182	4,404	20,561	21,801	1,376	289,973
Supplies and materials	895	361	5,246	1,990	909	29,666
Capital outlay	-	-	3,327	-	-	6,242
Payments to other governments	-	-	-	-	-	79,458
Total Expenditures	4,500	7,017	184,308	25,502	5,697	815,760
Excess (Deficiency) of Revenues Over Expenditures	-	-	(7,070)	(2)	-	(5,689)
Other Financing Sources (Uses):						
Interest	-	-	3,566	2	-	4,704
Total Other Financing Sources (Uses)	-	-	3,566	2	-	4,704
Net Change in Fund Balances	-	-	(3,504)	-	-	(985)
Fund Balance - Beginning	-	-	181,575	-	-	241,948
Fund Balance - Ending	\$ -	\$ -	\$ 178,071	\$ -	\$ -	\$ 240,963

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 BUDGETARY COMPARISON SCHEDULE
 (For the Period July 1, 2007 to June 30, 2008)
 EDUCATION FUND ACCOUNTS
 TRUANTS ALTERNATIVE / OPTIONAL EDUCATION
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 131,556	\$ 139,681	\$ 139,626
Total Revenues	<u>131,556</u>	<u>139,681</u>	<u>139,626</u>
Expenditures:			
Salaries and benefits	66,800	69,174	72,105
Purchased services	7,244	8,080	8,766
Supplies and materials	1,600	3,265	2,650
Payments to other governments	55,912	59,162	56,166
Total Expenditures	<u>131,556</u>	<u>139,681</u>	<u>139,687</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(61)</u>
Other Financing Sources (Uses):			
Interest	-	-	61
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>61</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 BUDGETARY COMPARISON SCHEDULE
 (For the Period July 1, 2007 to June 30, 2008)
 EDUCATION FUND ACCOUNTS
 MCKINNEY EDUCATION FOR HOMELESS CHILDREN
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 12,954	\$ 12,954	\$ 12,954
Total Revenues	<u>12,954</u>	<u>12,954</u>	<u>12,954</u>
Expenditures:			
Salaries and benefits	6,931	6,931	7,030
Purchased services	2,645	2,645	2,627
Supplies and materials	3,378	3,378	3,313
Total Expenditures	<u>12,954</u>	<u>12,954</u>	<u>12,970</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(16)</u>
Other Financing Sources (Uses):			
Interest	<u>-</u>	<u>-</u>	<u>16</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>16</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 BUDGETARY COMPARISON SCHEDULE
 (For the Period July 1, 2007 to June 30, 2008)
 EDUCATION FUND ACCOUNTS
 TECHNOLOGY - LEARNING TECHNOLOGY CENTERS
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Local source	\$ -	\$ -	\$ 2,348
State source	148,680	150,880	150,880
Total Revenues	<u>148,680</u>	<u>150,880</u>	<u>153,228</u>
Expenditures:			
Salaries and benefits	102,823	102,823	102,563
Purchased services	18,628	20,828	20,531
Supplies and materials	1,240	1,240	2,686
Capital outlay	2,704	2,704	2,915
Payments to other governments	23,285	23,285	23,292
Total Expenditures	<u>148,680</u>	<u>150,880</u>	<u>151,987</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>1,241</u>
Other Financing Sources (Uses):			
Interest	-	-	912
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>912</u>
Net Change in Fund Balances	-	-	2,153
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>53,506</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,659</u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 BUDGETARY COMPARISON SCHEDULE
 (For the Period July 1, 2007 to June 30, 2008)
 EDUCATION FUND ACCOUNTS
 LEARN AND SERVE AMERICA
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 8,000	\$ 8,000	\$ 7,017
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>7,017</u>
Expenditures:			
Salaries and benefits	2,287	2,287	2,252
Purchased services	5,313	5,313	4,404
Supplies and materials	400	400	361
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>7,017</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 BUDGETARY COMPARISON SCHEDULE
 (For the Period July 1, 2007 to June 30, 2008)
 EDUCATION FUND ACCOUNTS
 REGIONAL SAFE SCHOOLS
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 112,638	\$ 112,638	\$ 177,238
Total Revenues	<u>112,638</u>	<u>112,638</u>	<u>177,238</u>
Expenditures:			
Salaries and benefits	105,370	105,370	155,174
Purchased services	3,605	3,605	20,561
Supplies and materials	1,930	1,930	5,246
Capital outlay	1,733	1,733	3,327
Total Expenditures	<u>112,638</u>	<u>112,638</u>	<u>184,308</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(7,070)</u>
Other Financing Sources (Uses):			
Interest	<u>-</u>	<u>-</u>	<u>3,566</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,566</u>
Net Change in Fund Balances	-	-	(3,504)
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>181,575</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,071</u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2008

	SPECIAL REVENUE FUNDS			Total
	Bus Driver Training	Supervisory	General Education Development	Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 348	\$ 2,235	\$ 2,445	\$ 5,028
Total Assets	\$ 348	\$ 2,235	\$ 2,445	\$ 5,028
Fund Balances:				
Unreserved	\$ 348	\$ 2,235	\$ 2,445	\$ 5,028
Total Fund Balances	\$ 348	\$ 2,235	\$ 2,445	\$ 5,028

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

	SPECIAL REVENUE FUNDS			Total Nonmajor Governmental Funds
	Bus Driver Training	Supervisory	General Education Development	
Revenue:				
Local sources	\$ 1,510	\$ -	\$ 6,913	\$ 8,423
State sources	360	2,000	-	2,360
Total Revenues	<u>1,870</u>	<u>2,000</u>	<u>6,913</u>	<u>10,783</u>
Expenditures:				
Purchased services	1,654	2,006	4,455	8,115
Supplies and materials	-	-	2,135	2,135
Other objects	-	-	837	837
Total Expenditures	<u>1,654</u>	<u>2,006</u>	<u>7,427</u>	<u>11,087</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>216</u>	<u>(6)</u>	<u>(514)</u>	<u>(304)</u>
Other Financing Sources:				
Interest	3	45	58	106
Total Other Financing Sources	<u>3</u>	<u>45</u>	<u>58</u>	<u>106</u>
Net Change in Fund Balances	219	39	(456)	(198)
Fund Balance - Beginning	<u>129</u>	<u>2,196</u>	<u>2,901</u>	<u>5,226</u>
Fund Balance - Ending	<u>\$ 348</u>	<u>\$ 2,235</u>	<u>\$ 2,445</u>	<u>\$ 5,028</u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2008

	Distributive Fund	Education for Employment	Totals
Assets			
Cash and cash equivalents	\$ 815	\$ 7,308	\$ 8,123
Due from other governments	3,676,761	-	3,676,761
Total Assets	\$ 3,677,576	\$ 7,308	\$ 3,684,884
Liabilities			
Due to other governments	\$ 3,677,576	\$ 7,308	\$ 3,684,884
Total Liabilities	\$ 3,677,576	\$ 7,308	\$ 3,684,884

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

	Balance 7/1/07	Additions	Deductions	Balance 6/30/08
<u>Distributive Fund</u>				
Assets				
Cash and cash equivalents	\$ 847	\$ 55,073,919	\$ 55,073,951	\$ 815
Due from other governments	1,522,151	3,676,761	1,522,151	3,676,761
Total Assets	<u>\$ 1,522,998</u>	<u>\$ 58,750,680</u>	<u>\$ 56,596,102</u>	<u>\$ 3,677,576</u>
Liabilities				
Due to other governments	\$ 1,522,998	\$ 58,750,680	\$ 56,596,102	\$ 3,677,576
Total Liabilities	<u>\$ 1,522,998</u>	<u>\$ 58,750,680</u>	<u>\$ 56,596,102</u>	<u>\$ 3,677,576</u>
 <u>Education for Employment</u>				
Assets				
Cash and cash equivalents	\$ 6,662	\$ 11,615	\$ 10,969	\$ 7,308
Total Assets	<u>\$ 6,662</u>	<u>\$ 11,615</u>	<u>\$ 10,969</u>	<u>\$ 7,308</u>
Liabilities				
Due to other governments	\$ 6,662	\$ 11,615	\$ 10,969	\$ 7,308
Total Liabilities	<u>\$ 6,662</u>	<u>\$ 11,615</u>	<u>\$ 10,969</u>	<u>\$ 7,308</u>
 <u>Totals - All Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 7,509	\$ 55,085,534	\$ 55,084,920	\$ 8,123
Due from other governments	1,522,151	3,676,761	1,522,151	3,676,761
Total Assets	<u>\$ 1,529,660</u>	<u>\$ 58,762,295</u>	<u>\$ 56,607,071</u>	<u>\$ 3,684,884</u>
Liabilities				
Due to other governments	\$ 1,529,660	\$ 58,762,295	\$ 56,607,071	\$ 3,684,884
Total Liabilities	<u>\$ 1,529,660</u>	<u>\$ 58,762,295</u>	<u>\$ 56,607,071</u>	<u>\$ 3,684,884</u>

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #40
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 FOR THE YEAR ENDED
 JUNE 30, 2008

	Pinebluffville CUSD #101	Grant City CUSD #130	Carbondale CUSD #165	Trico CUSD #176	Murphysboro CUSD #186	Elvertado CUSD #196	Comm. Cons. CUSD #204
General State Aid - Sec. 18-8	\$ 1,923,304	\$ 854,652	\$ 2,088,435	\$ 2,822,434	\$ 8,376,549	\$ 2,460,013	\$ 471,711
General State Aid - Hold Harmless/Supplemental	-	-	-	-	-	-	-
Sp. Ed. - Private Facility Tuition	-	-	9,279	-	-	-	-
Sp. Ed. - Extracurricular	52,589	25,853	115,885	104,798	234,502	59,191	18,476
Sp. Ed. - Personnel	38,563	24,311	116,484	89,946	1,093,837	55,086	19,568
Sp. Ed. - Orphanage - Individual	-	-	14,060	28,692	1,078,472	5,873	1,054
Sp. Ed. - Orphanage - Summer Individual	-	-	-	-	42,756	-	-
Sp. Ed. - Summer School	-	-	-	-	589	-	-
V. E. Career & Technical Ed. Imp	-	-	-	-	-	-	-
Agriculture Ed.	-	-	-	-	-	-	-
Bilingual Ed. - Downstate - TPI & TBE	-	-	2,614	-	3,859	-	-
State Free Lunch & Breakfast	1,674	1,167	7,746	8,060	27,691	4,762	793
School Breakfast Incentive	463	24	844	247	2,226	390	15
Driver Education	19,627	-	33,533	13,920	22,174	6,468	-
Transportation - Regular & Vocational	79,292	27,329	111,347	354,804	456,853	81,825	53,186
Transportation - Special Education	49,043	12,431	105,031	114,447	241,287	63,512	19,673
ROE School Bus Driver Training	-	-	-	-	-	-	-
National Board Certification Initiatives	3,000	3,104	3,208	-	-	-	-
Tranais Alternatives/Operational Ed.	-	-	78,016	-	-	-	-
Regional Safe Schools	-	-	-	-	-	-	-
Early Childhood - Block Grant	-	-	140,000	-	3,845,319	-	-
Reading Improvement Block Grant	-	13,122	-	32,784	79,104	12,802	9,502
Reading Improvement Block - Read. Rec	-	-	-	-	-	-	-
ROE/ISC Operations	-	-	-	-	-	-	-
Supervisory Expense	-	-	-	-	-	-	-
ADA Safety & Educational Block Grant	18,031	8,628	35,623	32,376	67,399	18,002	6,266
Technology LTC	-	-	-	-	-	-	-
Orphanage Tuition	-	-	5,890	-	-	-	-
Arts and Foreign Language Assistance	-	-	-	-	-	-	-
Title V - Innovative Programs - Formula	713	390	1,863	919	4,073	931	296
Title VI - Rural Education Initiative	-	-	-	-	110,112	-	-
National School Lunch Program	31,192	25,739	107,437	151,445	439,455	96,972	19,731
School Breakfast Program	11,057	6,150	56,490	50,622	184,415	30,295	5,468
Summer Food Serv. Prog.	-	-	-	-	11,121	-	-
IASA - Title I - Low Income	53,975	40,835	220,474	173,164	879,591	180,057	35,356
IASA - Even Start	-	-	-	-	210,153	-	-
Title IV - Safe & Drug Free Schools - Formula	1,300	1,106	5,741	5,945	15,435	2,893	796
Title IV - 21st Century Comm L C	-	-	-	-	-	168,902	-
Sp. Ed. Pre-School	-	-	-	-	77,383	-	-
Special Educ. IDEA	-	-	-	-	3,012,459	-	-
Fed. - Sp. Ed. - I.D.E.A. - Room & Board	-	-	-	-	3,755	-	-
V. E. Perkins Title II Sec.	-	-	-	-	-	-	-
Title III - Immigrant Education Program	-	-	-	-	-	-	-
Learn and Serve America	15,152	20,211	46,387	61,788	218,304	44,212	12,100
Title II - Teacher Quality	460	-	3,014	1,369	8,177	-	145
Technology Enhancing Education - Formula	-	-	-	-	-	-	-
TOTALS	\$ 2,299,435	\$ 1,065,052	\$ 3,309,401	\$ 4,047,760	\$ 20,745,050	\$ 3,292,186	\$ 674,136

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES
 DISTRIBUTIVE FUND
 FOR THE YEAR ENDED
 JUNE 30, 2008

	DuQuoin CUSD #400	Tamaoa CUSD #5	Piackneyville CUSD #50	DeSoto CUSD #86	Carbondale CUSD #95	Educ. Service Reg	Regional Delivery	Total
General State Aid - Sec. 18-8	\$ 6,547,205	\$ 606,758	\$ 2,366,180	\$ 929,791	\$ 1,897,403	\$ 64,565	\$ -	\$ 31,409,300
General State Aid - Hold Harmless/Supplemental	-	-	-	-	517,591	-	-	517,591
Sp. Ed. - Private Facility Tuition	-	-	-	-	-	-	-	9,279
Sp. Ed. - Extraordinary	168,073	13,914	64,847	26,347	156,801	-	-	1,041,276
Sp. Ed. - Personnel	164,872	16,520	65,335	39,161	177,701	-	-	1,901,282
Sp. Ed. - Orphanage - Individual	16,149	-	5,170	6,569	31,465	-	-	1,187,504
Sp. Ed. - Orphanage - Summer Individual	-	-	-	-	-	-	-	42,756
Sp. Ed. - Summer School	-	-	-	-	-	-	-	589
V.E. Career & Technical Ed. Imp.	-	-	-	-	-	-	293,403	293,403
Agriculture Ed.	-	-	-	-	-	-	9,911	9,911
Bilingual Ed. - Devstate - TPI & TBE	-	-	-	-	523	-	-	6,996
State Free Lunch & Breakfast	10,358	2,415	3,792	2,837	20,903	-	-	92,198
School Breakfast Incentive	197	133	270	60	583	-	-	5,452
Driver Education	20,232	-	-	-	-	-	-	115,954
Transportation - Regular & Vocational	226,301	17,546	67,541	17,019	366,390	-	-	1,839,433
Transportation - Special Education	66,085	25,318	87,220	59,235	190,455	-	-	1,033,737
ROE School Bus Driver Training	-	-	-	3,000	3,104	360	-	360
National Board Certification Initiatives	-	-	-	-	-	-	-	15,416
Truants Alternative/Operational Ed.	-	-	-	-	-	139,331	-	217,347
Regional Safe Schools	-	-	-	-	-	112,638	-	112,638
Early Childhood - Block Grant	-	-	-	-	442,023	-	-	4,427,342
Reading Improvement Block Grant	57,960	6,398	32,896	14,601	98,675	-	-	357,844
Reading Improvement Block - Read. Rec.	-	-	-	-	16,300	-	-	16,200
ROE/ISC Operations	-	-	-	-	-	71,669	-	71,669
Supervisory Expenses	-	-	-	-	-	2,000	-	2,000
ADA Safety & Educational Block Grant	50,858	4,167	20,344	7,653	41,976	-	-	311,323
Technology LTC	-	-	-	-	-	129,018	-	129,018
Orphanage Tuition	-	-	-	-	-	-	-	5,890
Arts and Foreign Language Assistance	-	-	-	22,921	-	-	-	22,921
Title V - Innovative Programs - Formula	2,531	186	1,366	426	2,629	-	-	16,323
Title VI - Rural Education Initiative	194,552	37,194	80,611	43,575	306,588	-	-	1,101,112
National School Lunch Program	73,208	14,372	16,720	15,010	133,776	-	-	1,534,491
School Breakfast Program	24,959	-	-	-	-	-	-	597,583
Summer Food Serv. Prog.	-	-	-	-	-	-	-	36,080
IASA - Title I - Low Income	389,867	37,902	130,779	72,063	878,047	-	-	3,092,110
IASA - Even Start	-	-	-	-	-	-	-	210,153
Title IV - Safe & Drug Free Schools - Formula	8,300	345	2,122	1,358	13,660	-	-	57,091
Title IV - 21st Century Comm L C	-	-	-	-	-	-	-	168,902
Sp. Ed. Pre-School	-	-	-	-	-	-	-	77,383
Special Educ. IDEA	-	-	-	-	-	-	-	3,012,459
Fed. - Sp. Ed. - I.D.E.A. - Room & Board	347	-	-	-	-	-	-	4,102
V.E. Perkins Title II Sec	-	-	-	-	-	-	141,921	141,921
Title III - Immigrant Education Program	-	-	-	-	2,550	-	-	2,550
Learn and Serve America	101,155	5,792	53,984	21,494	159,963	6,413	-	6,413
Title II - Teacher Quality	4,137	341	1,585	844	8,925	-	-	760,542
Technology Enhancing Education - Formula	-	-	-	-	-	-	-	28,997
TOTALS	\$ 8,127,346	\$ 789,301	\$ 3,001,060	\$ 1,283,864	\$ 5,468,031	\$ 525,894	\$ 445,235	\$ 55,073,951

JACKSON/PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Project # (1st eight digits) or Contract #	Federal Expenditures 7/1/07 - 6/30/08
Corporation for National and Community Service passed through Illinois State Board of Education			
Learn and Serve America	94.004	08-4910-00	\$ 7,017
Total through Corporation for National and Community Service passed through Illinois State Board of Education			<u>7,017</u>
U.S. Department of Education passed through Franklin/Williamson Counties Regional Office of Education #21			
McKinney Education for Homeless Children	84.196A	08-4920-00	<u>12,954</u>
Total through U.S. Department of Education through Franklin/Williamson Counties Regional Office of Education #21			<u>12,954</u>
U.S. Department of Education CFDA #84.010A Passed through Alexander/Johnson/Massac/Pulaski/Union Counties Regional Office of Education #2			
Title I School Improvement and Accountability	84.010A	08-4331-SS	271,183 (M)
Passed through Clark/Coles/Cumberland/Douglas/Edgar/ Moultrie/Shelby Counties Regional Office of Education #11			
Standards Aligned Classroom	84.010A	08-4331-00	<u>4,500 (M)</u>
Total U.S. Department of Education CFDA #84.010A			<u>275,683</u>
U.S. Department of Education			
Reading is Fundamental (Noncash, See Note 4)			<u>8,648</u>
Total U.S. Department of Education			<u>8,648</u>
Total Expenditures of Federal Awards			<u>\$ 304,302</u>

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of ROE #30 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 on this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - SUBRECIPIENTS

None

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

This program supports the improvement of basic programs operated by the Regional Office of Education #30 by providing professional development for data analysis, school improvement plan and development, Standards-Aligned curriculum and instruction, and classroom assessment to System of Support Status schools on the Academic Early Warning and Watch lists.

NOTE 4 - NON-CASH ASSISTANCE

This non-cash funding reported on the Schedule of Expenditures of Federal Awards represents payments made by the U.S. Department of Education directly to the book vendor on behalf of the Regional Office of Education #30. These federal funds provide up to a 75 percent match for the cost of books for children and youths from infancy to high school age and promote activities to motivate them to read.

NOTE 5 - AMOUNT OF INSURANCE

None

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

None