

**State of Illinois
MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
FINANCIAL AUDIT
For the Year Ended June 30, 2013**

**Performed as Special Assistant Auditors
For the Office of the Auditor General**

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
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 JUNE 30, 2013

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MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
JUNE 30, 2013

OFFICIALS

Regional Superintendent
(Current and During the Audit Period)

Mr. Matthew Snyder

Assistant Regional Superintendent
(Current, Acting Effective September 30, 2013)

Mr. Charles Shonkwiler

Assistant Regional Superintendent
(Acting Effective July 1, 2013 through September 29, 2013)

Dr. David Coopriker

Assistant Regional Superintendent
(Acting Effective January 1, 2013 through June 30, 2013)

Mr. Richard Shelby

Assistant Regional Superintendent
(Acting Effective August 1, 2012 through December 31, 2012)

Mr. Charles Shonkwiler

Assistant Regional Superintendent
(Acting Effective December 1, 2011 through July 31, 2012)

Mr. Matt Andrews

Office is located at:

1690 Huston Dr.
Decatur, IL 62526

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
JUNE 30, 2013

FINANCIAL REPORT SUMMARY

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

SUMMARY OF AUDIT FINDINGS

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

There were no audit findings to present in a separate report section.

SUMMARY OF FINDINGS AND RESPONSES

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

None

PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

None

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
JUNE 30, 2013

FINANCIAL REPORT SUMMARY (Concluded)

EXIT CONFERENCE

An informal exit conference was held on September 19, 2013. There were no audit findings to discuss with Agency personnel. Attending were Matthew Snyder, Regional Superintendent, Ann Neal, Director of Business Operations, and Matt Price, Kemper CPA Group LLP.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
JUNE 30, 2013

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Macon/Piatt Counties Regional Office of Education #39 was performed by Kemper CPA Group LLP, Certified Public Accountants and Consultants.

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

INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Macon/Piatt Counties Regional Office of Education #39, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Macon/Piatt Counties Regional Office of Education #39's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Macon/Piatt Counties Regional Office of Education #39 as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Illinois Municipal Retirement Fund Schedule of Funding Progress, and Other Post-Employment Benefits – Health Insurance Schedule of Funding Progress on pages 13a through 13f, 51, and 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Disbursements to School District Treasurers and Other Entities are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2014 on our consideration of the Macon/Piatt Counties Regional Office of Education #39's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Macon/Piatt Counties Regional Office of Education #39's internal control over financial reporting and compliance.

Kemper CPA Group LLP

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
January 8, 2014

INDEPENDENT AUDITORS' 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, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Macon/Piatt Counties Regional Office of Education #39, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Macon/Piatt Counties Regional Office of Education #39's basic financial statements, and have issued our report thereon dated January 8, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Macon/Piatt Counties Regional Office of Education #39's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Macon/Piatt Counties Regional Office of Education #39's internal control. Accordingly, we do not express an opinion on the effectiveness of the Macon/Piatt Counties Regional Office of Education #39's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Macon/Piatt Counties Regional Office of Education #39's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Macon/Piatt Regional Office of Education #39's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kemper CPA Group LLP

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
January 8, 2014

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2013

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

● Material weaknesses identified? No

● Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no audit findings for the year ended June 30, 2013

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2013

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
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There were no audit findings for the year ended June 30, 2012.

MANAGEMENT'S DISCUSSION AND ANALYSIS

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

The Macon/Piatt Counties Regional Office of Education #39 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, 2013. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements which follows.

2013 Financial Highlights

- Within the Governmental Funds, the General Fund revenues decreased by \$1,037,844 from \$4,981,932 in FY12 to \$3,944,088 in FY13. General Fund expenditures decreased by \$897,788 from \$4,979,629 in FY12 to \$4,081,841 in FY13. This was a result of loss of funding for the Film Library, reduction of Co-hort grad classes offered by Eastern Illinois University, and reduced funding for the School Improvement Grants for DePue School District and Egyptian School District. There were additional expenses coming from General State Aid due to cuts in both state and federal grant funding.
- Within the Governmental Funds, the Education Fund and Non-Major Funds revenue decreased by \$372,536 from \$2,016,940 in FY12 to \$1,644,404 in FY13. The Special Revenue Fund expenditures decreased by \$194,305 from \$1,795,146 in FY12 to \$1,600,841 in FY13. This was a result of less funding for grants the Regional Office receives.
- Within the Proprietary Funds, revenues decreased \$7,948 from \$13,423 in FY12 to \$5,475 in FY13. Expenditures decreased \$8,254 from \$12,062 in FY12 to \$3,808 in FY13. This was a result of fewer anticipated administrator academies and workshops for professional development.

Using This Report

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

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

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Reporting the office as a Whole

The Statement of Net Position and the Statement of Activities

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

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

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

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

Fund Financial Statements

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

The Regional Office has three kinds of funds:

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

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

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

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Reporting the office as a Whole (Concluded)

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

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

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

Office-Wide Financial Analysis

As noted earlier, net position may serve when examined over time as one indicator of the financial position of the Regional Office. The net position at the end of FY13 totaled \$2,860,434. The analysis that follows provides a summary of the Regional Office's net position at June 30, 2013 and 2012.

CONDENSED STATEMENT OF NET POSITION
June 30, 2013 and 2012

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current assets	\$ 2,991,026	\$ 3,227,306	\$ 11,514	\$ 12,043	\$ 3,002,540	\$ 3,239,349
Noncurrent, net	44,481	77,892	-	365	44,481	78,257
Total assets	<u>3,035,507</u>	<u>3,305,198</u>	<u>11,514</u>	<u>12,408</u>	<u>3,047,021</u>	<u>3,317,606</u>
Current liabilities	<u>186,575</u>	<u>328,416</u>	<u>12</u>	<u>2,573</u>	<u>186,587</u>	<u>330,989</u>
Total liabilities	<u>186,575</u>	<u>328,416</u>	<u>12</u>	<u>2,573</u>	<u>186,587</u>	<u>330,989</u>
Net position:						
Invested in capital assets	44,481	77,892	-	365	44,481	78,257
Restricted for educational purposes	151,290	114,673	-	-	151,290	114,673
Unrestricted	<u>2,653,161</u>	<u>2,784,217</u>	<u>11,502</u>	<u>9,470</u>	<u>2,664,663</u>	<u>2,793,687</u>
Total net position	<u>\$ 2,848,932</u>	<u>\$ 2,976,782</u>	<u>\$ 11,502</u>	<u>\$ 9,835</u>	<u>\$ 2,860,434</u>	<u>\$ 2,986,617</u>

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

The following analysis shows the changes in net position for the years ended June 30, 2013 and 2012.

CHANGES IN NET POSITION
For the Years Ended June 30, 2013 and 2012

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 5,475	\$ 13,423	\$ 5,475	\$ 13,423
Operating grants and contributions	1,581,459	1,564,394	-	-	1,581,459	1,564,394
General revenues:						
Local sources	2,367,617	3,435,200	-	-	2,367,617	3,435,200
State sources	695,224	945,312	-	-	695,224	945,312
Administrative:						
On-behalf payments - State	937,246	852,259	-	-	937,246	852,259
Interest	6,697	2,567	-	-	6,697	2,567
Total revenues	<u>5,588,243</u>	<u>6,799,732</u>	<u>5,475</u>	<u>13,423</u>	<u>5,593,718</u>	<u>6,813,155</u>
Expenses:						
Program expenses:						
Instructional services:						
Salaries and benefits	3,595,859	4,206,775	-	-	3,595,859	4,206,775
Purchased services	1,044,057	1,547,292	-	-	1,044,057	1,547,292
Supplies and materials	96,658	123,692	-	-	96,658	123,692
Other objects	5,256	3,633	-	-	5,256	3,633
Depreciation expense	37,017	41,970	-	-	37,017	41,970
Administrative:						
On-behalf payments - State	937,246	852,259	-	-	937,246	852,259
Business-type expenses	-	-	3,808	12,062	3,808	12,062
Total expenses	<u>5,716,093</u>	<u>6,775,621</u>	<u>3,808</u>	<u>12,062</u>	<u>5,719,901</u>	<u>6,787,683</u>
Change in net position	(127,850)	24,111	1,667	1,361	(126,183)	25,472
Net position, beginning of year	<u>2,976,782</u>	<u>2,952,671</u>	<u>9,835</u>	<u>8,474</u>	<u>2,986,617</u>	<u>2,961,145</u>
Net position, end of year	<u>\$ 2,848,932</u>	<u>\$ 2,976,782</u>	<u>\$ 11,502</u>	<u>\$ 9,835</u>	<u>\$ 2,860,434</u>	<u>\$ 2,986,617</u>

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Governmental Activities

Revenues for governmental activities were \$5,588,243 and expenses were \$5,716,093. The Regional Office experienced a decrease in net position of \$127,850. The decrease was a result of spending more of General State Aid excess cash on hand due to less funding of state or federal grants.

Financial Analysis of the Regional Office's Funds

As previously noted, the Regional Office uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office's governmental funds' reported combined fund balances of \$2,804,451 for FY13, a decrease of \$87,493 under FY12 fund balance of \$2,891,944.

Governmental Fund Highlights:

- County support for the Regional Office remained at FY12 levels in FY13.
- The State aid foundation level was reduced to 89% of the Foundation Level of \$6,119 for FY13.
- Continuing to be fiscal agent for School Improvement Grant for Sandoval School District.

Proprietary Fund Highlights:

- In FY13, the Regional Office offered 41 administrator and teacher workshops. As of July 1, 2013, the Regional Office anticipates having at least 30 workshops in FY14.
- The Regional Office used less of the Institute Fund to pay for workshops for local school districts during FY13. This resulted in more money being collected by the Regional Office for this fund.

Budgetary Highlights:

The Regional Office annually adopts budgets for several funds. The Heartland Vocational Cooperative budget is prepared by the program coordinator and serves as a guideline for activities and expenditures. This is considered separate from the Regional Office. It is audited on an annual basis by an outside auditing firm and budgets are submitted to the Illinois State Board of Education. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the two county boards for their approval. The Office Operations budget covers a fiscal year which runs from December 1 to November 30. All grant budgets are prepared by the Regional Office and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Schedules showing the budget amounts compared to the Regional Office's actual financial activity are included in the supplementary information of this report.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Capital Assets

Capital assets of the Regional Office include office equipment, lease improvements, computers, audio-visual equipment and office furniture. The Regional Office maintains an inventory of capital assets which have been accumulated over time. Governmental activities net capital assets for FY13 were \$44,481 and for FY12 were \$77,892. Excess depreciation expense over current year capital asset additions has caused the net book value of capital assets to decrease in FY13.

Economic Factors and Next Year's Budget

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

- The interest rate on investments continues to increase very slightly and will impact interest earned.
- Grant funding will decrease for Illinois State Board of Education-Regional Safe Schools Program, Truants Alternative/Optional Education Program, and Early Childhood Programs.
- The state will prorate General State Aid at 89% of Foundation Level.
- County funding for FY14 will likely maintain the FY13 level.
- Slow receipt of monies from the State due to the State's budget issues and backlogs.
- The Regional Office will continue to be the fiscal agent for School Improvement 1003(g) grant for Sandoval School District.
- Loss of educational services contracts with several schools pertaining to the School Improvement Grant – DePue School District and Egyptian School District; loss of GED and Teacher Certification in FY14; laying off employees due to loss of funding for Heartland Region Education for Employment.
- Consolidation of Regional Offices of Education could result in us acquiring another county and its programs.

Contacting the Regional Office's Financial Management

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

BASIC FINANCIAL STATEMENTS

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
STATEMENT OF NET POSITION
JUNE 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,539,481	\$ 11,389	\$ 2,550,870
Due from other governments:			
Local	236,536	125	236,661
State	116,622	-	116,622
Federal	24,022	-	24,022
Accounts receivable	74,365	-	74,365
Total current assets	<u>2,991,026</u>	<u>11,514</u>	<u>3,002,540</u>
Noncurrent assets:			
Capital assets, being depreciated, net	44,481	-	44,481
Total noncurrent assets	<u>44,481</u>	<u>-</u>	<u>44,481</u>
TOTAL ASSETS	<u>3,035,507</u>	<u>11,514</u>	<u>3,047,021</u>
LIABILITIES			
Current liabilities:			
Accounts payable	110,361	12	110,373
Accrued payroll and benefits	74,063	-	74,063
Unearned revenue	2,151	-	2,151
TOTAL LIABILITIES	<u>186,575</u>	<u>12</u>	<u>186,587</u>
NET POSITION			
Invested in capital assets	44,481	-	44,481
Restricted for educational purposes	151,290	-	151,290
Unrestricted	2,653,161	11,502	2,664,663
TOTAL NET POSITION	<u>\$ 2,848,932</u>	<u>\$ 11,502</u>	<u>\$ 2,860,434</u>

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

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental Activities:						
Instructional Services						
Salaries and benefits	\$ 3,595,859	\$ -	\$ 1,336,891	\$ (2,258,968)	\$ -	\$ (2,258,968)
Purchased services	1,044,057	-	198,477	(845,580)	-	(845,580)
Supplies and materials	96,658	-	41,561	(55,097)	-	(55,097)
Other objects	5,256	-	924	(4,332)	-	(4,332)
Depreciation expense	37,017	-	-	(37,017)	-	(37,017)
Capital outlay	-	-	3,606	3,606	-	3,606
Administrative:						
On-behalf payments - State	937,246	-	-	(937,246)	-	(937,246)
Total Governmental Activities	<u>5,716,093</u>	<u>-</u>	<u>1,581,459</u>	<u>(4,134,634)</u>	<u>-</u>	<u>(4,134,634)</u>
Business-Type Activities:						
Workshop fees	3,808	5,475	-	-	1,667	1,667
Total Business-Type Activities	<u>3,808</u>	<u>5,475</u>	<u>-</u>	<u>-</u>	<u>1,667</u>	<u>1,667</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 5,719,901</u>	<u>\$ 5,475</u>	<u>\$ 1,581,459</u>	<u>(4,134,634)</u>	<u>1,667</u>	<u>(4,132,967)</u>
GENERAL REVENUES:						
Local sources				2,367,617	-	2,367,617
State sources				695,224	-	695,224
On-behalf payments - State				937,246	-	937,246
Investment earnings (net)				6,697	-	6,697
Total General Revenues				<u>4,006,784</u>	<u>-</u>	<u>4,006,784</u>
CHANGE IN NET POSITION				(127,850)	1,667	(126,183)
NET POSITION - BEGINNING				<u>2,976,782</u>	<u>9,835</u>	<u>2,986,617</u>
NET POSITION - ENDING				<u>\$ 2,848,932</u>	<u>\$ 11,502</u>	<u>\$ 2,860,434</u>

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

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General Fund	Education Fund	Non-Major Funds	Eliminations	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,376,047	\$ 14,428	\$ 149,006	\$ -	\$ 2,539,481
Due from other funds	319,122	-	-	(319,122)	-
Due from other governments:					
Local	223,038	11,466	2,032	-	236,536
State	-	116,622	-	-	116,622
Federal	-	24,022	-	-	24,022
Accounts receivable	73,981	-	384	-	74,365
TOTAL ASSETS	\$ 2,992,188	\$ 166,538	\$ 151,422	\$ (319,122)	\$ 2,991,026
LIABILITIES					
Accounts payable	\$ 96,443	\$ 13,392	\$ 526	\$ -	\$ 110,361
Accrued payroll and benefits	39,506	34,557	-	-	74,063
Due to other funds	202,584	116,538	-	(319,122)	-
Unearned revenue	494	1,657	-	-	2,151
Total Liabilities	339,027	166,144	526	(319,122)	186,575
FUND BALANCES (DEFICIT)					
Restricted	-	394	150,896	-	151,290
Assigned	35,492	-	-	-	35,492
Unassigned	2,617,669	-	-	-	2,617,669
Total Fund Balances (Deficit)	2,653,161	394	150,896	-	2,804,451
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 2,992,188	\$ 166,538	\$ 151,422	\$ (319,122)	\$ 2,991,026

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

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2013

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS \$ 2,804,451

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

Capital assets used in governmental activities are not
financial resources and, therefore, are not reported in the funds. 44,481

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,848,932

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

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Education Fund	Non-Major Funds	Eliminations	Total Governmental Funds
REVENUES					
Local sources	\$ 2,140,740	\$ 166,723	\$ 60,154	\$ -	\$ 2,367,617
State sources	854,753	1,287,889	1,140	-	2,143,782
On-behalf payments - State	937,246	-	-	-	937,246
Federal sources	11,349	128,498	-	-	139,847
Total Revenues	<u>3,944,088</u>	<u>1,583,110</u>	<u>61,294</u>	<u>-</u>	<u>5,588,492</u>
EXPENDITURES					
Instructional Services:					
Salaries and benefits	2,258,968	1,336,891	-	-	3,595,859
Purchased services	828,541	198,477	17,039	-	1,044,057
Supplies and materials	50,677	41,561	4,420	-	96,658
Other objects	4,328	924	4	-	5,256
On-behalf payments - State	937,246	-	-	-	937,246
Capital outlay	2,081	1,525	-	-	3,606
Total Expenditures	<u>4,081,841</u>	<u>1,579,378</u>	<u>21,463</u>	<u>-</u>	<u>5,682,682</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	<u>(137,753)</u>	<u>3,732</u>	<u>39,831</u>	<u>-</u>	<u>(94,190)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	193,870	-	-	(193,870)	-
Transfers out	(193,870)	-	-	193,870	-
Interest	4,342	-	-	-	4,342
Investment gain	2,355	-	-	-	2,355
Total Other Financing Sources (Uses)	<u>6,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,697</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>(131,056)</u>	<u>3,732</u>	<u>39,831</u>	<u>-</u>	<u>(87,493)</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>2,784,217</u>	<u>(3,338)</u>	<u>111,065</u>	<u>-</u>	<u>2,891,944</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 2,653,161</u>	<u>\$ 394</u>	<u>\$ 150,896</u>	<u>\$ -</u>	<u>\$ 2,804,451</u>

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

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ (87,493)

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	\$ 3,606	
Depreciation expense	<u>(37,017)</u>	(33,411)

Some revenues will not be collected for several months after the Regional Office's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.

FY12 deferred revenue recognized in FY13		<u>(6,946)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (127,850)

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

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 STATEMENT OF NET POSITION
 PROPRIETARY FUND
 JUNE 30, 2013

	Business-Type Activities - Enterprise Fund	
	Workshop Reimbursement	Total
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 11,389	\$ 11,389
Due from other governments:		
Local	125	125
TOTAL ASSETS	11,514	11,514
LIABILITIES		
Current Liabilities:		
Accounts payable	12	12
TOTAL LIABILITIES	12	12
NET POSITION		
Unrestricted	11,502	11,502
TOTAL NET POSITION	\$ 11,502	\$ 11,502

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

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Fund	
	Workshop Reimbursement	Total
OPERATING REVENUES		
Workshop fees	\$ 5,475	\$ 5,475
Total Operating Revenues	5,475	5,475
OPERATING EXPENSES		
Purchased services	3,030	3,030
Supplies and materials	413	413
Depreciation	365	365
Total Operating Expenses	3,808	3,808
CHANGE IN NET POSITION	1,667	1,667
TOTAL NET POSITION - BEGINNING	9,835	9,835
TOTAL NET POSITION - ENDING	\$ 11,502	\$ 11,502

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

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Fund	
	Workshop Reimbursement	Total
Cash Flows from Operating Activities:		
Receipts from customers	\$ 5,350	\$ 5,350
Payments to suppliers and providers of goods and services	(6,004)	(6,004)
Net cash used for operating activities	(654)	(654)
Net decrease in cash	(654)	(654)
Cash and cash equivalents - Beginning	12,043	12,043
Cash and cash equivalents - Ending	\$ 11,389	\$ 11,389
Reconciliation of operating income to net cash used for operating activities:		
Operating income	\$ 1,667	\$ 1,667
Adjustments to reconcile operating income to net cash used for operating activities:		
Depreciation	365	365
(Increase) in due from other governments	(125)	(125)
(Decrease) in accounts payable	(2,561)	(2,561)
Net cash used for operating activities	\$ (654)	\$ (654)

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

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUND
 JUNE 30, 2013

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 75,418
Due from other governments	2,765,647
TOTAL ASSETS	\$ 2,841,065
 LIABILITIES	
Accounts payable	\$ 82,741
Due to other governments	2,758,324
TOTAL LIABILITIES	\$ 2,841,065

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

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Macon/Piatt Counties Regional Office of Education #39 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2013, the Regional Office of Education #39 implemented Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*; and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The Regional Office of Education #39 implemented these standards during the current year; however, GASB Statement No. 60, and GASB Statement No. 61 had no impact on the financial statements. The implementation of GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

A. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through January 8, 2014, the date when the financial statements were available to be issued.

B. 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; to evaluate the schools in the region; to examine evidence of indebtedness; to file and keep the returns of elections required to be returned to the Regional Superintendent's office; and to file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #39'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; to 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.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FINANCIAL REPORTING ENTITY (Concluded)

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

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the region, 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, 2013, the Regional Office of Education #39 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #39. Such activities are reported as a single special revenue fund (Education Fund).

C. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #39's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #39 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education #39 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #39 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #39 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #39 being considered a component unit of the entity.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #39's activities with most of the inter-fund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education has one business-type activity that relies on fees and charges for support.

The Regional Office of Education #39's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education #39 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 Regional Office of Education #39's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Position. 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 inter-fund activities, such as, payables, receivables and transfers. Inter-fund 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 Position 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 Position. All inter-fund transactions between governmental funds are eliminated on the government-wide financial statements. Inter-fund 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 Position have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities those transactions between governmental and business-type activities have not been eliminated.

The purpose of inter-fund borrowing and permanent transfers is to cover temporary or permanent short falls in cash flow within grant programs and funds.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. PROPRIETARY FUND FINANCIAL STATEMENTS

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, 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 Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. 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.

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

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. 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. The reported fund balance (net current assets) is considered a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #39; 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.

Under the terms of grant agreements, Macon/Piatt Counties Regional Office of Education #39 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 the Regional Office of Education #39’s policy to first apply restricted funds to such programs, and then unrestricted funds. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned funds if any.

H. FUND ACCOUNTING

The Regional Office of Education #39 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education #39 uses governmental, proprietary, and fiduciary funds.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

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 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 non-major funds. The Regional Office of Education #39 has presented all major funds that met the above qualifications.

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

General Fund - The General Fund is the operating fund of the Regional Office of Education #39. It is used to account for all financial resources in the Region except those required to be accounted and reported for in other funds. General Funds include the following:

General - This fund accounts for interest earned on Distributive Fund monies.

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

Water Street Pop Fund - This program accounts for revenue and expenses from the pop machine at the Water Street facility.

Adult Education - The program accounts for General State Aid proceeds used for adult education.

Junior Achievement - This program accounts for sales of candy, etc.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund (Continued)

ADA State Aid - This program accounts for General State Aid for the Futures Unlimited School.

Futures Pop Fund - This program accounts for revenue and expenses from the Futures Unlimited pop machine.

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

Student Council - This program accounts for the sales of candy, bake sales, etc. for class trips.

Recycling and Energy - This program accounts for proceeds from Caterpillar, Inc., for recycling and energy education curriculum for all students (K-12) in Macon and Piatt Counties.

Teachers' Exchange - This program accounts for revenue generated by fees from classes from Eastern Illinois University graduate classes.

General State Aid and Lunch and Breakfast - This program accounts for General State Aid received from the Illinois State Board of Education based on the average daily attendance at the Regional Safe School and accounts for federal and State nutrition reimbursements.

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

Department of Corrections - GED Contract - This program provides GED testing at Decatur, Taylorville, Lincoln, Logan, Danville, and Pontiac correctional facilities.

Futures Foundation - This program accounts for Futures Unlimited contributions from the Community Foundation of Decatur/Macon County and various other donors.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund (Concluded)

School Improvement - This fund accounts for activities related to an agreement between the Regional Office and Egyptian, DePue, and Sandoval school districts. The Regional Office provides services to the three school districts through the parameters set by the School Improvement Grant - Section 1003(g).

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

Education Fund - This fund is used to account for and report the proceeds of specific revenue sources that are restricted by grant agreements or contracts to expenditures for specified purposes supporting education enhancement programs as follows:

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

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

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

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

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Major Special Revenue Funds (Continued)

Education Fund (Continued)

Workforce Investment Solutions (WIS) - Year Round Youth Program I - This program accounts for an adult/teen GED program that allows youth ages 16 - 21 access to intensive workforce training, as well as opportunities for educational growth.

Truants Alternative/Optional Education - This program accounts for the proceeds of a grant from the Illinois State Board of Education to provide educational opportunities for drop-outs and truants.

ROE/ISC Operations - These funds are provided by the Illinois State Board of Education, through a budget application process, to the Regional Office to provide professional development to district schools and teachers in Macon and Piatt county school districts.

Title II Teacher Quality - This program accounts for the proceeds of a grant from the Illinois State Board of Education to improve teacher effectiveness in the classroom.

Title II Teacher Quality Leadership - This program accounts for the use of purchasing evaluation training for teachers and evaluator training for principals through Growth Through Learning Illinois.

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

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

Not on Tobacco - This program accounts for a grant awarded to Futures Unlimited for students to learn the hazards of tobacco products.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Major Special Revenue Funds (Concluded)

Education Fund (Concluded)

Regional System of Support Provider (RESPRO) - This program accounts for resources for schools identified by the Illinois State Board of Education as being in school improvement status.

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

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

Homeless Children Youth Program - This program accounts for the proceeds of a grant from the Illinois State Board of Education for identification, referral, and enrollment of homeless and displaced youth in Macon County schools.

Professional Development - This program provides professional development of Statewide Common Core Development Train the Trainer Trainings by working with multiple agencies to coordinate, develop and conduct the trainings.

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

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

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Concluded)

Non-major Special Revenue Funds (Concluded)

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

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

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

PROPRIETARY FUND

Proprietary Fund - The Proprietary Fund accounts for revenue and expenses related to services provided to organizations inside the Regional Office of Education #39 on a cost-reimbursement basis. The Regional Office of Education #39 reports the following proprietary fund:

Workshop Reimbursement - This program provides workshops for professional development presented by Regional Office of Education employees.

FIDUCIARY FUNDS

Agency Funds - Agency Funds are used to account for assets held by the Regional Office of Education #39 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 accounts for the assets held by the Regional Office of Education #39 to be distributed to local school districts and other governmental units. The Regional Office of Education #39 has agreements with all entities that receive distributions from this fund to keep all accumulated interest.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Concluded)

FIDUCIARY FUNDS (Concluded)

Agency Funds (Concluded)

Summer Administration Workshop - This fund accounts for assets held for the benefit of the Illinois Association – Regional Superintendents of Schools (IARSS), an agreement between the Regional Office of Education #39 and IARSS to host the Summer Administration Institute updates.

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

Regional Board of Trustees - This program accounts for receipts and disbursements related to school annexation, consolidations, and school grievances.

School Occupation Facility Tax - This fund accounts for the assets held by the Regional Office of Education #39 to be distributed to local school districts. Monies are received from the State Comptroller for the School Facilities Occupation Tax and are forwarded directly to the school districts.

I. GOVERNMENTAL FUND BALANCES

Fund balance is the difference between assets and liabilities in a governmental fund. The following types of fund balances may be presented in the Governmental Funds Balance Sheet and Governmental Funds Combining Schedule of Accounts:

Nonspendable Fund Balance - The portion of a Governmental Fund's net position that is not available to be spent, either short term or long term, due to either their form or legal restrictions. The Regional Office of Education #39 has no nonspendable fund balances.

Restricted Fund Balance - The portion of a Governmental Fund's net position that is subject to external enforceable legal restrictions. The following account fund balance is restricted by grant agreements or contracts: Not on Tobacco. The following funds are restricted by Illinois Statute: Institute, General Education Development, and Bus Permit funds.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. GOVERNMENTAL FUND BALANCES (Concluded)

Committed Fund Balance - The portion of a Governmental Fund's net position with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Regional Office of Education #39 has no committed fund balances.

Assigned Fund Balance - The portion of a Governmental Fund's net position for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The Regional Office of Education #39 has assigned fund balances in the Junior Achievement, Futures Pop Fund, Student Council, and Futures Foundation programs.

Unassigned Fund Balance - Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The Regional Office of Education #39 has unassigned fund balances in the General, Business Office, Water Street Pop Fund, Adult Education, ADA State Aid, St. Mary's Hospital School, Teachers' Exchange, General State Aid & Lunch & Breakfast, and Department of Corrections-GED Contract.

J. NET POSITION

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

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

Restricted net position - Consists of net position 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 position - All other net positions that does not meet the definition of "restricted" or "invested in capital assets."

K. CASH AND CASH EQUIVALENTS

The Macon/Piatt Counties Regional Office of Education #39's cash and cash equivalents are considered to be demand deposits and short-term investments. All interest income is recognized as revenue in the appropriate fund's Statement of Revenues, Expenditures and Changes in Fund Balance.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. INVENTORY

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

M. 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.

N. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$500 or more and estimated useful lives of greater than one year 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.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

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

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

O. COMPENSATED ABSENCES

After one year of employment, noncertified and certified employees who have a 261-day contract can earn up to 20 vacation days per year, prorated based on the number of days worked. Employees with less than full-year contracts do not earn vacation days. The Regional Office currently employs five individuals eligible to carry forward a maximum of five days of unused vacation time to the next year with director's approval, but the previous year's unused vacation time is forfeited if unused by the end of the next year. Unused vacation time is paid on termination of employment. Management has determined that the current year accrual for vacation time is immaterial to the financial statements; therefore, this amount has not been accrued.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

O. COMPENSATED ABSENCES (Concluded)

Employees who have at least a 182-day contract receive two personal days per year. Unused personal days are allowed to accrue as sick leave. Employees earn up to 15 sick days per year, depending on the length of their annual contract, and the unused portion accumulates indefinitely. Employee sick leave is recorded when paid. Upon retirement, unused sick leave may be used as service credits toward the employee's retirement fund. Upon termination, employees do not receive any accumulated sick leave pay, and therefore no liability is accrued.

P. BUDGET INFORMATION

The Regional Office of Education #39 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Funds. Certain programs have separate budgets and are required to report to the Illinois State Board of Education and the Illinois Community College Board; however, none of the annual budgets have been legally adopted, nor are they required to be. Certain programs within the General Fund and Special Revenue Funds do not have separate budgets. Comparisons of budgeted and actual results are presented as supplemental information. Budgetary comparison schedules have been provided in supplemental schedules for the following funds: Adult Education Performance, Adult Education Public Assistance, Adult Education State Basic, Adult Education Federal Basic, WIS-Year Round Youth Program I, Truants Alternative/Optional Education, ROE/ISC Operations, Title II Teacher Quality, Title II Teacher Quality Leadership, Regional Safe Schools, Early Childhood Block Grant, Regional System of Support Provider (RESPRO), Early Childhood Block Grant - Continuing Three to Five, and Homeless Children Youth Program.

NOTE 2 - CASH

The Regional Office of Education #39 does not have a formal investment policy. The Regional Office of Education #39 is allowed to invest in securities as authorized by 30 ILCS 235/2 and 6 and 105 ILCS 5/8-7.

A. DEPOSITS

At June 30, 2013, the carrying amount of the Regional Office of Education #39's government-wide and Agency Fund deposits were \$2,550,870 and \$75,418, respectively, and the bank balances were \$2,514,873 and \$75,418, respectively. Of the total bank balances as of June 30, 2013, \$261,895 was secured by federal depository insurance, \$13,995 was invested in Illinois Funds Money Market Fund, and \$2,314,401 was collateralized by securities pledged by the Regional Office of Education #39's financial institution in the name of the Regional Office.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 - CASH (Concluded)

A. DEPOSITS (Concluded)

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the ROE's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Regional Office of Education #39's investment policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the Regional Office of Education #39.

B. INVESTMENTS

The Regional Office of Education #39's only investments are internally pooled in the Illinois Funds Money Market Fund. As noted earlier, at June 30, 2013, the Regional Office of Education #39 had investments with carrying and fair values of \$13,995, invested in the Illinois Funds Money Market Fund, which is reported as cash and cash equivalents in the financial statements.

CREDIT RISK

At June 30, 2013, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

CONCENTRATION OF CREDIT RISK

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

INTEREST RATE RISK

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

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3 - CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #39 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased. The following table provides a summary of changes in total capital assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2013:

	Balance 7/1/2012	Additions	Disposals	Balance 6/30/2013
Governmental Activities				
<u>General Fund</u>				
Leasehold improvements	\$ 45,000	\$ -	\$ -	\$ 45,000
Equipment and furniture	149,002	2,081	-	151,083
<u>Education Fund</u>				
Equipment and furniture	309,576	1,525	-	311,101
Governmental Activities				
Total Capital Assets	503,578	3,606	-	507,184
Less: Accumulated Depreciation	(425,686)	(37,017)	-	(462,703)
Governmental Activities				
Investment in Capital Assets, Net	<u>\$ 77,892</u>	<u>\$ (33,411)</u>	<u>\$ -</u>	<u>\$ 44,481</u>
Business-Type Activities				
<u>Enterprise Fund</u>				
Equipment and furniture	\$ 5,555	\$ -	\$ -	\$ 5,555
Business-Type Activities				
Total Capital Assets	5,555	-	-	5,555
Less: Accumulated Depreciation	(5,190)	(365)	-	(5,555)
Business-Type Activities				
Investment in Capital Assets, Net	<u>\$ 365</u>	<u>\$ (365)</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2013 of \$37,017 and \$365 were 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 position that reports capital assets net of accumulated depreciation.

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 4 - DEFINED BENEFIT PENSION PLAN

Plan Description. The Regional Office of Education #39's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #39's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on line at www.imrf.org.

Funding Policy. As set by statute, the Regional Office of Education #39's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 was 11.56 percent. The Regional Office of Education #39 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2012 was \$141,262.

THREE YEAR TREND INFORMATION FOR THE REGULAR PLAN

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/12	\$ 141,262	100%	\$ -
12/31/11	91,663	100%	-
12/31/10	54,052	100%	-

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Regional Office of Education #39's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education #39's Regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 10 year basis.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 - DEFINED BENEFIT PENSION PLAN (Concluded)

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 87.83 percent funded. The actuarial accrued liability for benefits was \$2,531,896 and the actuarial value of assets was \$2,223,887, resulting in an underfunded actuarial accrued liability (UAAL) of \$308,009. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$1,221,990 and the ratio of the UAAL to the covered payroll was 25 percent.

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

NOTE 5 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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

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

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2013, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after Jan. 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. 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, 2012 and 2011.

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

On-behalf contributions. The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #39. For the year ended June 30, 2013, State of Illinois contributions were based on 28.05 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #39 recognized revenue and expenditures of \$690,291 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2012, and June 30, 2011, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 24.91 percent (\$620,125) and 23.10 percent (\$329,432), respectively.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 5 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

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

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ending June 30, 2013, were \$16,120. Contributions for the years ending June 30, 2012, and June 30, 2011, were \$18,616 and \$9,889, respectively.

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

For the year ended June 30, 2013, the employer pension contribution was 28.05 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2012 and 2011, the employer contribution was 24.91 and 23.10 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2013, salaries totaling \$501,473 were paid from federal and special trust funds that required employer contributions of \$140,663. For the years ended June 30, 2012 and 2011, required Regional Office of Education #39 contributions were \$222,451 and \$108,700, respectively.

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

The maximum employer ERO contribution under the current program is 117.5 percent and applies when the member is age 55 at retirement.

For the years ended June 30, 2013, 2012, and 2011, the Regional Office of Education #39 paid no contributions to TRS for employer contributions under the ERO program.

Salary increases over 6 percent and excess sick leave. If the Regional Office of Education #39 grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the Regional Office of Education #39 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.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 5 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Concluded)

For the year ended June 30, 2013, the Regional Office of Education #39 paid no employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2012 and 2011, the Regional Office of Education #39 paid no employer contributions due on salary increases in excess of 6 percent.

If the Regional Office of Education #39 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the Regional Office of Education #39 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.63 percent of salary during the year ended June 30, 2013).

For the year ended June 30, 2013, the Regional Office of Education #39 paid no employer contributions to TRS for sick leave days granted in excess of the normal annual allotment. For the years ended June 30, 2012 and 2011, the Regional Office of Education #39 paid no employer contributions granted for sick leave days.

Further information on TRS. TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and State funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2012. The report for the year ended June 30, 2013, is expected to be available in late 2013.

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

NOTE 6 - TEACHERS' HEALTH INSURANCE SYSTEM

The Regional Office of Education #39 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the State administered participating provider option plan or choose from several managed care options.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 6 - TEACHERS' HEALTH INSURANCE SYSTEM (Concluded)

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to THIS Fund.

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office. State contributions are intended to match contributions to THIS Fund from active members which were 0.92 percent of pay during the year ended June 30, 2013. State of Illinois contributions were \$25,558, and the Regional Office of Education #39 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2012 and June 30, 2011 were 0.88 percent of pay, both years. State contributions on behalf of Regional Office of Education #39 employees were \$28,258 and \$15,006, respectively.

Employer contributions to THIS Fund. The Regional Office of Education #39 also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.69 percent during the year ended June 30, 2013 and 0.66 percent during the years ended June 30, 2012 and June 30, 2011. For the year ended June 30, 2013, the Regional Office of Education #39 paid \$19,169, to the THIS Fund. For the years ended June 30, 2012 and June 30, 2011, the Regional Office of Education #39 paid \$21,193 and \$11,254 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further information on THIS Fund. The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The 2013 report is listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

NOTE 7 - RISK MANAGEMENT

The Regional Office of Education #39 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education #39 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.

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 8 - ON BEHALF PAYMENTS

The State of Illinois paid the following salaries on behalf of the Regional Office of Education #39:

Regional Superintendent Salary	\$ 107,640
Assistant Regional Superintendent Salary	76,703
Regional Superintendent Benefits (Includes State paid insurance)	35,002
Assistant Regional Superintendent Benefits (Includes State paid insurance)	2,052
TRS Pension Contribution	690,291
Teachers' Health Insurance System (THIS) Contribution	<u>25,558</u>
Total	<u>\$ 937,246</u>

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

These amounts have been recorded in the accompanying financial statements as State revenue and expenditures.

NOTE 9 - INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Inter-fund due to/from other fund balances at June 30, 2013 consist of the following individual due to/from other funds in the governmental fund's Balance Sheet. The balances between governmental funds were eliminated in the government-wide Statement of Net Position.

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 319,122	\$ 202,584
Education Fund	<u>-</u>	<u>116,538</u>
Total	<u>\$ 319,122</u>	<u>\$ 319,122</u>

TRANSFERS

Interfund transfers in/out to other fund balances at June 30, 2013 consist of the following individual transfers in/out to other funds in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 9 - INTERFUND ACTIVITY (Concluded)

TRANSFERS (Concluded)

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	<u>\$ 193,870</u>	<u>\$ 193,870</u>
Total	<u><u>\$ 193,870</u></u>	<u><u>\$ 193,870</u></u>

NOTE 10 - OPERATING LEASE

The Regional Office of Education #39 is committed through July 31, 2014 under a lease agreement for the ground and second floor of a building located at 250 East William Street, Decatur, Illinois. This lease called for monthly rental payments of \$7,073 through July 31, 2011. For the period August 1, 2011 through July 31, 2014 the monthly rental payments increase to \$7,573. The lease also calls for the Regional Office to pay all utilities and liability insurance.

The Regional Office of Education #39 is committed through March 31, 2014 under a lease agreement for the first floor of the building located at 432 North Water Street, Decatur, Illinois. This lease calls for monthly rent payments of \$3,975. The lease also calls for the Regional Office to pay all utilities and liability insurance.

The Regional Office of Education #39 is committed through June 30, 2013 under a lease agreement for the building located at 1690 Huston Drive, Decatur, Illinois. The lease calls for monthly rental payments of \$3,750.

The counties served by the Regional Office of Education #39 are required by statute to provide the Regional Superintendents of Schools with office space. Therefore, Macon and Piatt Counties share a portion of the facility costs associated with the office space and reimburse the Regional Office of Education #39 for the rent, building maintenance and utilities expense incurred as a result of the lease for this office space.

Future minimum payments are as follows for the years ending June 30:

2014	\$ 126,651
<u>2015</u>	<u>7,573</u>
Total	<u><u>\$ 134,224</u></u>

MACON/PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION #39
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 11 - DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #39's Agency Funds, General Funds, Education Funds, and Non-Major Special Revenue Funds have funds due from/to various other governmental units which consist of the following:

Due from Other Governments:

<u>General Funds</u>	
Local Governments	\$ 223,038
<u>Education Funds</u>	
Illinois Community College Board	22,693
Illinois State Board of Education	98,541
Iroquois/Kankakee ROE	12,118
Richland Community College	7,292
Local Governments	11,466
<u>Non-Major Special Revenue Funds</u>	
Illinois Comptroller	2,032
<u>Proprietary Funds</u>	
Local Governments	125
<u>Agency Funds</u>	
Local Governments	2,765,647
Total	<u>\$ 3,142,952</u>

Due to Other Governments:

<u>Agency Funds</u>	
Local Governments	<u>\$ 2,758,324</u>

NOTE 12 - OTHER POST EMPLOYMENT BENEFITS - HEALTH INSURANCE

The Governmental Accounting Standards Board (GASB) issued Statement No. 43 & 45 that established generally accepted accounting principles for the annual financial statement for postemployment benefit plans other than pension plans. The Regional Office of Education #39 did not recognize an Other Post-Employment Benefits (OPEB) liability at June 30, 2013, because the amount is immaterial. The required information is as follows:

Membership in the plan consisted of the following as of:

	<u>June 30, 2011</u>
Retirees and beneficiaries receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	14
Active nonvested plan members	15
Total	<u>29</u>
Number of participating employers	1

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 12 - OTHER POST EMPLOYMENT BENEFITS - HEALTH INSURANCE (Continued)

ANNUAL OPEB COST AND NET OPEB OBLIGATION

	<u>June 30, 2011</u>
Annual required contribution	\$ 3,846
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
	<hr/>
Annual OPEB cost	3,846
Contributions made	-
	<hr/>
Increase (decrease) in net OPEB obligation	3,846
Net OPEB obligation beginning of year	-
	<hr/>
Net OPEB obligation end of year	<u>\$ 3,846</u>

THREE-YEAR TREND INFORMATION

Fiscal Year <u>Ending</u>	Annual <u>OPEB Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
6/30/2011	\$ 3,846	0.00%	\$ 3,846
6/30/2010	-	-	-
6/30/2009	-	-	-

ANNUAL REQUIRED CONTRIBUTION

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Service cost	\$ 2,618	\$ 2,728
Amortization	1,009	935
Interest	181	183
	<hr/>	<hr/>
Annual required contribution	<u>\$ 3,808</u>	<u>\$ 3,846</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 12 - OTHER POST EMPLOYMENT BENEFITS - HEALTH INSURANCE (Concluded)

FUNDING POLICY AND ACTUARIAL ASSUMPTIONS

Actuarial cost method	Entry age
Amortization period	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases	5.00%
Healthcare inflation rate	8.00% intial, 6.00% ultimate
Mortality, Turnover, Disability, Retirement ages	Same rates utilized for IMRF
Active utilization rate:	20%
Employer provided benefit	Explicit: None Implicit: 40% of premium to age 65 (50% of \$486/mo + 50% of \$1,091/mo)
* Includes inflation at	3.00%

GASB 45 Summary as of June 30, 2011

<u>Division</u>	<u>Service Cost</u>	<u>Active Liability</u>	<u>Retired Liability</u>	<u>Total Liability</u>	<u>Annual Required Contribution</u>	<u>Expected Payments</u>	<u>Actives</u>	<u>Retirees</u>	<u>Total</u>
All	\$ 2,618	\$ 30,260	\$ -	\$ 30,260	\$ 3,808	\$ -	29	-	29

Discount Rate: 5.0%

Medical Inflation Rate: 8.0% intial, 6.0% ultimate

Future Payroll Increases: 5.0%

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

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF FUNDING PROGRESS
 (UNAUDITED)
 JUNE 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	(2) Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	(3) Funded Ratio (a/b)	(4) Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/12	\$ 2,223,887	\$ 2,531,896	\$ 308,009	87.83%	\$ 1,221,990	25.21%
12/31/11	1,984,348	2,213,558	229,210	89.65%	950,865	24.11%
12/31/10	1,794,952	1,997,317	202,365	89.87%	679,898	29.76%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$2,331,219.

On a market basis, the funded ratio would be 92.07%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Macon Piatt R.O.E. #39. They do not include amounts for retirees. The actuarial liability for retirees is 100% funded.

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 OTHER POST-EMPLOYMENT BENEFITS - HEALTH INSURANCE
 SCHEDULE OF FUNDING PROGRESS
 (UNAUDITED)
 JUNE 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	(2) Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	(3) Funded Ratio (a/b)	(4) Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/11	\$ -	\$ 30,260	\$ 30,260	0.00%	\$ -	0.00%
6/30/10	-	-	-	0.00%	-	0.00%
6/30/09	-	-	-	0.00%	-	0.00%

OTHER SUPPLEMENTARY INFORMATION

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2013

	General	Business Office	Water Street Pop Fund	Adult Education	Junior Achievement
ASSETS					
Cash and cash equivalents	\$ 22,225	\$ 890,902	\$ 169	\$ 259,061	\$ 3,483
Due from other funds	-	-	-	-	-
Due from other governments - Local	-	20,676	-	150	-
Accounts receivable	-	-	-	-	-
TOTAL ASSETS	\$ 22,225	\$ 911,578	\$ 169	\$ 259,211	\$ 3,483
LIABILITIES					
Accounts payable	\$ -	\$ 9,052	\$ -	\$ 2,218	\$ -
Accrued payroll and benefits	-	-	-	396	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	-	9,052	-	2,614	-
FUND BALANCE (DEFICIT)					
Assigned	-	-	-	-	3,483
Unassigned	22,225	902,526	169	256,597	-
Total Fund Balance (Deficit)	22,225	902,526	169	256,597	3,483
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 22,225	\$ 911,578	\$ 169	\$ 259,211	\$ 3,483

MACON/PLATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2013

	ADA State Aid	Futures Pop Fund	St. Mary's Hospital School	Student Council
ASSETS				
Cash and cash equivalents	\$ 945,740	\$ 1,154	\$ 127,368	\$ 119
Due from other funds	319,122	-	-	-
Due from other governments - Local	-	-	16,772	-
Accounts receivable	-	-	-	-
TOTAL ASSETS	\$ 1,264,862	\$ 1,154	\$ 144,140	\$ 119
LIABILITIES				
Accounts payable	\$ 2,125	\$ -	\$ 525	\$ -
Accrued payroll and benefits	25,576	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	27,701	-	525	-
FUND BALANCE (DEFICIT)				
Assigned	-	1,154	-	119
Unassigned	1,237,161	-	143,615	-
Total Fund Balance (Deficit)	1,237,161	1,154	143,615	119
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 1,264,862	\$ 1,154	\$ 144,140	\$ 119

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2013

	Recycling and Energy	Teachers' Exchange	General State Aid & Lunch & Breakfast	Baby Talk
ASSETS				
Cash and cash equivalents	\$ 494	\$ 62,162	\$ 62,095	\$ -
Due from other funds	-	-	-	-
Due from other governments - Local	-	15,724	-	-
Accounts receivable	-	-	16	40,182
TOTAL ASSETS	\$ 494	\$ 77,886	\$ 62,111	\$ 40,182
LIABILITIES				
Accounts payable	\$ -	\$ 74,465	\$ 1,723	\$ 660
Accrued payroll and benefits	-	-	8,503	347
Due to other funds	-	-	-	39,175
Unearned revenue	494	-	-	-
Total Liabilities	494	74,465	10,226	40,182
FUND BALANCE (DEFICIT)				
Assigned	-	-	-	-
Unassigned	-	3,421	51,885	-
Total Fund Balance (Deficit)	-	3,421	51,885	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 494	\$ 77,886	\$ 62,111	\$ 40,182

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2013

	Department of Corrections - GED Contract	Futures Foundation	School Improvement	TOTALS
ASSETS				
Cash and cash equivalents	\$ -	\$ 1,075	\$ -	\$ 2,376,047
Due from other funds	-	-	-	319,122
Due from other governments - Local	-	-	169,716	223,038
Accounts receivable	4,122	29,661	-	73,981
TOTAL ASSETS	\$ 4,122	\$ 30,736	\$ 169,716	\$ 2,992,188
LIABILITIES				
Accounts payable	\$ 1,527	\$ -	\$ 4,148	\$ 96,443
Accrued payroll and benefits	-	-	4,684	39,506
Due to other funds	2,525	-	160,884	202,584
Unearned revenue	-	-	-	494
Total Liabilities	4,052	-	169,716	339,027
FUND BALANCE (DEFICIT)				
Assigned	-	30,736	-	35,492
Unassigned	70	-	-	2,617,669
Total Fund Balance (Deficit)	70	30,736	-	2,653,161
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 4,122	\$ 30,736	\$ 169,716	\$ 2,992,188

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2013

	General	Business Office	Water Street Pop Fund	Adult Education	Junior Achievement
REVENUES					
Local sources	\$ -	\$ 211,968	\$ 138	\$ -	\$ -
State sources	-	-	-	-	-
On-behalf payments - State	937,246	-	-	-	-
Federal sources	-	-	-	-	-
Total Revenues	937,246	211,968	138	-	-
EXPENDITURES					
Salaries and benefits	-	172,104	-	172,238	-
Purchased services	-	69,233	307	41,910	-
Supplies and materials	-	9,493	-	4,847	-
Capital outlay	-	1,301	-	780	-
Other objects	-	4,328	-	-	-
On-behalf payments - State	937,246	-	-	-	-
Total Expenditures	937,246	256,459	307	219,775	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(44,491)	(169)	(219,775)	-
OTHER FINANCING SOURCES (USES)					
Transfer in	-	-	-	183,095	-
Transfer out	-	-	-	-	-
Interest	15	4,327	-	-	-
Investment gain	-	-	-	-	-
Total Other Financing Sources (Uses)	15	4,327	-	183,095	-
NET CHANGE IN FUND BALANCE (DEFICIT)	15	(40,164)	(169)	(36,680)	-
FUND BALANCE (DEFICIT) - BEGINNING	22,210	942,690	338	293,277	3,483
FUND BALANCE (DEFICIT) - ENDING	\$ 22,225	\$ 902,526	\$ 169	\$ 256,597	\$ 3,483

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2013

	ADA State Aid	Futures Pop Fund	St. Mary's Hospital School	Student Council
REVENUES				
Local sources	\$ 2,625	\$ 5,218	\$ 115,265	\$ -
State sources	723,125	-	-	-
On-behalf payments - State	-	-	-	-
Federal sources	-	-	-	-
Total Revenues	725,750	5,218	115,265	-
EXPENDITURES				
Salaries and benefits	304,234	-	92,207	-
Purchased services	191,258	-	6,550	-
Supplies and materials	21,563	4,701	57	-
Capital outlay	-	-	-	-
Other objects	-	-	-	-
On-behalf payments - State	-	-	-	-
Total Expenditures	517,055	4,701	98,814	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	208,695	517	16,451	-
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	10,775	-
Transfer out	(193,870)	-	-	-
Interest	-	-	-	-
Investment gain	-	-	-	-
Total Other Financing Sources (Uses)	(193,870)	-	10,775	-
NET CHANGE IN FUND BALANCE (DEFICIT)	14,825	517	27,226	-
FUND BALANCE (DEFICIT) - BEGINNING	1,222,336	637	116,389	119
FUND BALANCE (DEFICIT) - ENDING	\$ 1,237,161	\$ 1,154	\$ 143,615	\$ 119

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2013

	Recycling and Energy	Teachers' Exchange	General State Aid & Lunch & Breakfast	Baby Talk
REVENUES				
Local sources	\$ 957	\$ 299,441	\$ 3,976	\$ 206,827
State sources	-	-	116,254	-
On-behalf payments - State	-	-	-	-
Federal sources	-	-	11,349	-
Total Revenues	<u>957</u>	<u>299,441</u>	<u>131,579</u>	<u>206,827</u>
EXPENDITURES				
Salaries and benefits	-	-	173,902	196,758
Purchased services	-	299,441	51,737	10,069
Supplies and materials	957	-	8,135	-
Capital outlay	-	-	-	-
Other objects	-	-	-	-
On-behalf payments - State	-	-	-	-
Total Expenditures	<u>957</u>	<u>299,441</u>	<u>233,774</u>	<u>206,827</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(102,195)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Interest	-	-	-	-
Investment gain	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>-</u>	<u>-</u>	<u>(102,195)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>3,421</u>	<u>154,080</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ 3,421</u>	<u>\$ 51,885</u>	<u>\$ -</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2013

	Department of Corrections - GED Contract	Futures Foundation	School Improvement	TOTALS
REVENUES				
Local sources	\$ -	\$ -	\$ 1,294,325	\$ 2,140,740
State sources	15,374	-	-	854,753
On-behalf payments - State	-	-	-	937,246
Federal sources	-	-	-	11,349
Total Revenues	15,374	-	1,294,325	3,944,088
EXPENDITURES				
Salaries and benefits	-	-	1,147,525	2,258,968
Purchased services	12,160	-	145,876	828,541
Supplies and materials	-	-	924	50,677
Capital outlay	-	-	-	2,081
Other objects	-	-	-	4,328
On-behalf payments - State	-	-	-	937,246
Total Expenditures	12,160	-	1,294,325	4,081,841
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,214	-	-	(137,753)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	193,870
Transfer out	-	-	-	(193,870)
Interest	-	-	-	4,342
Investment gain	-	2,355	-	2,355
Total Other Financing Sources (Uses)	-	2,355	-	6,697
NET CHANGE IN FUND BALANCE (DEFICIT)	3,214	2,355	-	(131,056)
FUND BALANCE (DEFICIT) - BEGINNING	(3,144)	28,381	-	2,784,217
FUND BALANCE (DEFICIT) - ENDING	\$ 70	\$ 30,736	\$ -	\$ 2,653,161

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2013

	Adult Education Performance	Adult Education Public Assistance	Adult Education State Basic	Adult Education Federal Basic	WIS - Year Round Youth Program I
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments:					
Local	-	-	-	-	-
State	5,448	9,652	2,964	-	-
Federal	-	-	-	4,629	-
TOTAL ASSETS	\$ 5,448	\$ 9,652	\$ 2,964	\$ 4,629	\$ -
LIABILITIES					
Accounts payable	\$ 97	\$ 9	\$ 27	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-
Due to other funds	5,351	9,643	2,937	4,629	-
Unearned revenue	-	-	-	-	-
Total Liabilities	5,448	9,652	2,964	4,629	-
FUND BALANCE (DEFICIT)					
Restricted	-	-	-	-	-
Total Fund Balance (Deficit)	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 5,448	\$ 9,652	\$ 2,964	\$ 4,629	\$ -

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2013

	Truants Alternative/ Optional Education	ROE/ISC Operations	Title II Teacher Quality	Title II Teacher Quality Leadership	Regional Safe Schools
ASSETS					
Cash and cash equivalents	\$ 5,432	\$ -	\$ -	\$ -	\$ 8,602
Due from other governments:					
Local	-	-	-	-	-
State	17,236	2,611	-	-	-
Federal	-	-	375	6,900	-
TOTAL ASSETS	\$ 22,668	\$ 2,611	\$ 375	\$ 6,900	\$ 8,602
LIABILITIES					
Accounts payable	\$ 1,132	\$ 99	\$ -	\$ 4,200	\$ 456
Accrued payroll and benefits	21,536	155	-	-	8,146
Due to other funds	-	2,357	375	2,700	-
Unearned revenue	-	-	-	-	-
Total Liabilities	22,668	2,611	375	6,900	8,602
FUND BALANCE (DEFICIT)					
Restricted	-	-	-	-	-
Total Fund Balance (Deficit)	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 22,668	\$ 2,611	\$ 375	\$ 6,900	\$ 8,602

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2013

	Early Childhood Block Grant	Not on Tobacco	RESPRO	Secretary of State
ASSETS				
Cash and cash equivalents	\$ -	\$ 394	\$ -	\$ -
Due from other governments:				
Local	-	-	-	-
State	66,541	-	-	7,292
Federal	-	-	7,396	-
TOTAL ASSETS	\$ 66,541	\$ 394	\$ 7,396	\$ 7,292
LIABILITIES				
Accounts payable	\$ 3,218	\$ -	\$ 532	\$ 41
Accrued payroll and benefits	4,473	-	155	-
Due to other funds	58,850	-	6,709	7,251
Unearned revenue	-	-	-	-
Total Liabilities	66,541	-	7,396	7,292
FUND BALANCE (DEFICIT)				
Restricted	-	394	-	-
Total Fund Balance (Deficit)	-	394	-	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 66,541	\$ 394	\$ 7,396	\$ 7,292

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2013

	Early Childhood Block Grant- Continuing Three to Five	Homeless Children Youth Program	Professional Development	TOTALS
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 14,428
Due from other governments:				
Local	-	-	11,466	11,466
State	4,878	-	-	116,622
Federal	-	4,722	-	24,022
TOTAL ASSETS	\$ 4,878	\$ 4,722	\$ 11,466	\$ 166,538
LIABILITIES				
Accounts payable	\$ 915	\$ -	\$ 2,666	\$ 13,392
Accrued payroll and benefits	92	-	-	34,557
Due to other funds	3,871	4,722	7,143	116,538
Unearned revenue	-	-	1,657	1,657
Total Liabilities	4,878	4,722	11,466	166,144
FUND BALANCE (DEFICIT)				
Restricted	-	-	-	394
Total Fund Balance (Deficit)	-	-	-	394
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 4,878	\$ 4,722	\$ 11,466	\$ 166,538

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2013

	Adult Education Performance	Adult Education Public Assistance	Adult Education State Basic	Adult Education Federal Basic	WIS - Year Round Youth Program I
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	65,378	49,434	35,567	-	-
Federal sources	-	-	-	34,129	19,384
Total Revenues	<u>65,378</u>	<u>49,434</u>	<u>35,567</u>	<u>34,129</u>	<u>19,384</u>
EXPENDITURES					
Salaries and benefits	45,418	35,948	31,199	32,929	15,712
Purchased services	18,263	5,855	2,440	771	1,233
Supplies and materials	1,697	2,984	1,928	429	2,439
Other objects	-	-	-	-	-
Capital outlay	-	915	-	-	-
Total Expenditures	<u>65,378</u>	<u>45,702</u>	<u>35,567</u>	<u>34,129</u>	<u>19,384</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>3,732</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	3,732	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>(3,732)</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2013

	Truants Alternative/ Optional Education	ROE/ISC Operations	Title II Teacher Quality	Title II Teacher Quality Leadership	Regional Safe Schools
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	206,898	31,431	-	-	78,236
Federal sources	-	-	1,952	6,900	-
Total Revenues	<u>206,898</u>	<u>31,431</u>	<u>1,952</u>	<u>6,900</u>	<u>78,236</u>
EXPENDITURES					
Salaries and benefits	190,123	28,457	-	-	77,211
Purchased services	16,775	2,874	1,902	6,900	1,025
Supplies and materials	-	100	50	-	-
Other objects	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>206,898</u>	<u>31,431</u>	<u>1,952</u>	<u>6,900</u>	<u>78,236</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2013

	Early Childhood Block Grant	Not on Tobacco	RESPRO	Secretary of State
REVENUES				
Local sources	\$ -	\$ -	\$ -	\$ 29,169
State sources	762,398	-	-	-
Federal sources	-	-	57,464	-
Total Revenues	<u>762,398</u>	<u>-</u>	<u>57,464</u>	<u>29,169</u>
EXPENDITURES				
Salaries and benefits	643,303	-	44,588	28,815
Purchased services	101,662	-	4,948	354
Supplies and materials	16,823	-	7,928	-
Other objects	-	-	-	-
Capital outlay	610	-	-	-
Total Expenditures	<u>762,398</u>	<u>-</u>	<u>57,464</u>	<u>29,169</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>394</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ 394</u>	<u>\$ -</u>	<u>\$ -</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2013

	Early Childhood Block Grant- Continuing Three to Five	Homeless Children Youth Program	Professional Development	TOTALS
REVENUES				
Local sources	\$ -	\$ -	\$ 137,554	\$ 166,723
State sources	58,547	-	-	1,287,889
Federal sources	-	8,669	-	128,498
Total Revenues	<u>58,547</u>	<u>8,669</u>	<u>137,554</u>	<u>1,583,110</u>
EXPENDITURES				
Salaries and benefits	50,895	8,606	103,687	1,336,891
Purchased services	5,095	63	28,317	198,477
Supplies and materials	2,557	-	4,626	41,561
Other objects	-	-	924	924
Capital outlay	-	-	-	1,525
Total Expenditures	<u>58,547</u>	<u>8,669</u>	<u>137,554</u>	<u>1,579,378</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,732</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	-	3,732
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,338)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 394</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 ADULT EDUCATION PERFORMANCE
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 65,378	\$ 65,378	\$ 65,378
Total Revenues	<u>65,378</u>	<u>65,378</u>	<u>65,378</u>
EXPENDITURES			
Salaries and benefits	45,835	45,835	45,418
Purchased services	19,344	19,344	18,263
Supplies and materials	199	199	1,697
Total Expenditures	<u>65,378</u>	<u>65,378</u>	<u>65,378</u>
NET CHANGE IN FUND BALANCE (DEFICIT)			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING			
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 ADULT EDUCATION PUBLIC ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 39,327	\$ 39,327	\$ 49,434
Total Revenues	<u>39,327</u>	<u>39,327</u>	<u>49,434</u>
EXPENDITURES			
Salaries and benefits	33,595	33,595	35,948
Purchased services	5,527	5,527	5,855
Supplies and materials	205	205	2,984
Capital outlay	-	-	915
Total Expenditures	<u>39,327</u>	<u>39,327</u>	<u>45,702</u>
NET CHANGE IN FUND BALANCE (DEFICIT)			
	<u>-</u>	<u>-</u>	<u>3,732</u>
FUND BALANCE (DEFICIT) - BEGINNING			
	<u>-</u>	<u>-</u>	<u>(3,732)</u>
FUND BALANCE (DEFICIT) - ENDING			
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

MACON/PLATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 ADULT EDUCATION STATE BASIC
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 35,567	\$ 35,567	\$ 35,567
Total Revenues	<u>35,567</u>	<u>35,567</u>	<u>35,567</u>
EXPENDITURES			
Salaries and benefits	31,484	31,484	31,199
Purchased services	2,153	2,153	2,440
Supplies and materials	1,930	1,930	1,928
Total Expenditures	<u>35,567</u>	<u>35,567</u>	<u>35,567</u>
NET CHANGE IN FUND BALANCE (DEFICIT)			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING			
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 ADULT EDUCATION FEDERAL BASIC
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 34,129	\$ 34,129	\$ 34,129
Total Revenues	<u>34,129</u>	<u>34,129</u>	<u>34,129</u>
EXPENDITURES			
Salaries and benefits	33,168	33,168	32,929
Purchased services	532	532	771
Supplies and materials	429	429	429
Total Expenditures	<u>34,129</u>	<u>34,129</u>	<u>34,129</u>
NET CHANGE IN FUND BALANCE (DEFICIT)			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING			
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 WIS-YEAR ROUND YOUTH PROGRAM I
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Federal sources	\$ 19,250	\$ 19,250	\$ 19,384
Total Revenues	<u>19,250</u>	<u>19,250</u>	<u>19,384</u>
EXPENDITURES			
Salaries and benefits	14,775	14,775	15,712
Purchased services	625	625	1,233
Supplies and materials	3,850	3,850	2,439
Total Expenditures	<u>19,250</u>	<u>19,250</u>	<u>19,384</u>
NET CHANGE IN FUND BALANCE (DEFICIT)			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TRUANTS ALTERNATIVE/OPTIONAL EDUCATION
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 206,898	\$ 206,898	\$ 206,898
Total Revenues	<u>206,898</u>	<u>206,898</u>	<u>206,898</u>
EXPENDITURES			
Salaries and benefits	191,042	191,042	190,123
Purchased services	15,856	15,856	16,775
Total Expenditures	<u>206,898</u>	<u>206,898</u>	<u>206,898</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 ROE/ISC OPERATIONS
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 31,431	\$ 31,431	\$ 31,431
Total revenues	<u>31,431</u>	<u>31,431</u>	<u>31,431</u>
EXPENDITURES			
Salaries and benefits	26,631	28,457	28,457
Purchased services	4,300	2,874	2,874
Supplies and materials	500	100	100
Total expenditures	<u>31,431</u>	<u>31,431</u>	<u>31,431</u>
NET CHANGE IN FUND BALANCE (DEFICIT)			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TITLE II TEACHER QUALITY
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 3,335	\$ 3,335	\$ 1,952
Total Revenues	<u>3,335</u>	<u>3,335</u>	<u>1,952</u>
EXPENDITURES			
Purchased services	2,835	2,835	1,902
Supplies and materials	500	500	50
Total Expenditures	<u>3,335</u>	<u>3,335</u>	<u>1,952</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TITLE II TEACHER QUALITY LEADERSHIP
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
Federal sources	\$ 2,835	\$ 2,835	\$ 6,900
Total Revenues	<u>2,835</u>	<u>2,835</u>	<u>6,900</u>
EXPENDITURES			
Purchased services	2,835	2,835	6,900
Total Expenditures	<u>2,835</u>	<u>2,835</u>	<u>6,900</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 REGIONAL SAFE SCHOOLS
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 78,236	\$ 78,236	\$ 78,236
Total Revenues	<u>78,236</u>	<u>78,236</u>	<u>78,236</u>
EXPENDITURES			
Salaries and benefits	77,195	77,195	77,211
Purchased services	1,041	1,041	1,025
Total Expenditures	<u>78,236</u>	<u>78,236</u>	<u>78,236</u>
NET CHANGE IN FUND BALANCE (DEFICIT)			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 EARLY CHILDHOOD BLOCK GRANT
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
State sources	\$ 726,292	\$ 762,398	\$ 762,398
Total Revenues	<u>726,292</u>	<u>762,398</u>	<u>762,398</u>
EXPENDITURES			
Salaries and benefits	627,717	644,116	643,303
Purchased services	88,411	98,954	101,662
Supplies and materials	9,664	18,828	16,823
Capital outlay	500	500	610
Total Expenditures	<u>726,292</u>	<u>762,398</u>	<u>762,398</u>
NET CHANGE IN FUND			
BALANCE (DEFICIT)	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 REGIONAL SYSTEM OF SUPPORT PROVIDER (RESPRO)
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 44,773	\$ 57,917	\$ 57,464
Total Revenues	<u>44,773</u>	<u>57,917</u>	<u>57,464</u>
EXPENDITURES			
Salaries and benefits	36,522	44,892	44,588
Purchased services	6,158	5,115	4,948
Supplies and materials	2,093	7,910	7,928
Total Expenditures	<u>44,773</u>	<u>57,917</u>	<u>57,464</u>
NET CHANGE IN FUND BALANCE (DEFICIT)			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING			
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 EARLY CHILDHOOD BLOCK GRANT - CONTINUING THREE TO FIVE
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 58,547	\$ 58,547	\$ 58,547
Total Revenues	<u>58,547</u>	<u>58,547</u>	<u>58,547</u>
EXPENDITURES			
Salaries and benefits	51,675	51,675	50,895
Purchased services	5,093	5,093	5,095
Supplies and materials	1,779	1,779	2,557
Total Expenditures	<u>58,547</u>	<u>58,547</u>	<u>58,547</u>
NET CHANGE IN FUND BALANCE (DEFICIT)			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING			
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 HOMELESS CHILDREN YOUTH PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Federal sources	\$ 8,788	\$ 10,088	\$ 8,669
Total Revenues	<u>8,788</u>	<u>10,088</u>	<u>8,669</u>
EXPENDITURES			
Salaries and benefits	8,725	10,017	8,606
Purchased services	63	71	63
Total Expenditures	<u>8,788</u>	<u>10,088</u>	<u>8,669</u>
NET CHANGE IN FUND BALANCE (DEFICIT)			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2013

	Institute	General Education Development	Bus Permit	TOTALS
ASSETS				
Cash and cash equivalents	\$ 104,124	\$ 30,719	\$ 14,163	\$ 149,006
Due from other governments - Local	-	2,032	-	2,032
Accounts receivable	-	-	384	384
TOTAL ASSETS	\$ 104,124	\$ 32,751	\$ 14,547	\$ 151,422
LIABILITIES				
Accounts payable	\$ 200	\$ 326	\$ -	\$ 526
Total Liabilities	200	326	-	526
FUND BALANCE (DEFICIT)				
Restricted	103,924	32,425	14,547	150,896
Total Fund Balance (Deficit)	103,924	32,425	14,547	150,896
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 104,124	\$ 32,751	\$ 14,547	\$ 151,422

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Institute	General Education Development	Bus Permit	TOTALS
REVENUES				
Local sources	\$ 31,227	\$ 25,087	\$ 3,840	\$ 60,154
State sources	-	-	1,140	1,140
Total Revenues	<u>31,227</u>	<u>25,087</u>	<u>4,980</u>	<u>61,294</u>
EXPENDITURES				
Purchased services	9,789	6,009	1,241	17,039
Supplies and materials	-	4,154	266	4,420
Other objects	4	-	-	4
Total Expenditures	<u>9,793</u>	<u>10,163</u>	<u>1,507</u>	<u>21,463</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	21,434	14,924	3,473	39,831
FUND BALANCE (DEFICIT) - BEGINNING	<u>82,490</u>	<u>17,501</u>	<u>11,074</u>	<u>111,065</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 103,924</u>	<u>\$ 32,425</u>	<u>\$ 14,547</u>	<u>\$ 150,896</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 JUNE 30, 2013

	Distributive Fund	Summer Administration Workshop	Heartland Region Fund	Regional Board of Trustees	School Occupation Facility Tax	TOTALS
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 74,074	\$ 1,344	\$ -	\$ 75,418
Due from other governments	192,421	-	93,862	-	2,479,364	2,765,647
TOTAL ASSETS	\$ 192,421	\$ -	\$ 167,936	\$ 1,344	\$ 2,479,364	\$ 2,841,065
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 82,741	\$ -	\$ -	\$ 82,741
Due to other governments	192,421	-	85,195	1,344	2,479,364	2,758,324
TOTAL LIABILITIES	\$ 192,421	\$ -	\$ 167,936	\$ 1,344	\$ 2,479,364	\$ 2,841,065

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<u>Distributive Fund</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 3,303,444	\$ 3,303,444	\$ -
Due from other governments	518,276	192,421	518,276	192,421
Total Assets	\$ 518,276	\$ 3,495,865	\$ 3,821,720	\$ 192,421
LIABILITIES				
Due to other governments	\$ 518,276	\$ 3,495,865	\$ 3,821,720	\$ 192,421
Total Liabilities	\$ 518,276	\$ 3,495,865	\$ 3,821,720	\$ 192,421
 <u>Summer Administration Workshop</u>				
ASSETS				
Cash and cash equivalents	\$ 4,900	\$ 2,942	\$ 7,842	\$ -
Due from other governments	3,270	-	3,270	-
Total Assets	\$ 8,170	\$ 2,942	\$ 11,112	\$ -
LIABILITIES				
Accounts payable	\$ 5,588	\$ -	\$ 5,588	\$ -
Due to other governments	2,582	2,942	5,524	-
Total Liabilities	\$ 8,170	\$ 2,942	\$ 11,112	\$ -
 <u>Heartland Region Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 118,631	\$ 2,065,888	\$ 2,110,445	\$ 74,074
Due from other governments	222,594	93,862	222,594	93,862
Total Assets	\$ 341,225	\$ 2,159,750	\$ 2,333,039	\$ 167,936
LIABILITIES				
Accounts payable	\$ 95,398	\$ 82,741	\$ 95,398	\$ 82,741
Due to other governments	245,827	2,077,009	2,237,641	85,195
Total Liabilities	\$ 341,225	\$ 2,159,750	\$ 2,333,039	\$ 167,936

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<u>Regional Board of Trustees</u>				
ASSETS				
Cash and cash equivalents	\$ 1,341	\$ 1,503	\$ 1,500	\$ 1,344
Total Assets	<u>\$ 1,341</u>	<u>\$ 1,503</u>	<u>\$ 1,500</u>	<u>\$ 1,344</u>
LIABILITIES				
Due to other governments	\$ 1,341	\$ 1,503	\$ 1,500	\$ 1,344
Total Liabilities	<u>\$ 1,341</u>	<u>\$ 1,503</u>	<u>\$ 1,500</u>	<u>\$ 1,344</u>
<u>School Occupation Facility Tax</u>				
ASSETS				
Cash and cash equivalents	\$ 880,187	\$ 8,750,033	\$ 9,630,220	\$ -
Due from other governments	2,486,311	2,479,364	2,486,311	2,479,364
Total Assets	<u>\$ 3,366,498</u>	<u>\$ 11,229,397</u>	<u>\$ 12,116,531</u>	<u>\$ 2,479,364</u>
LIABILITIES				
Due to other governments	\$ 3,366,498	\$ 11,229,397	\$ 12,116,531	\$ 2,479,364
Total Liabilities	<u>\$ 3,366,498</u>	<u>\$ 11,229,397</u>	<u>\$ 12,116,531</u>	<u>\$ 2,479,364</u>
<u>TOTALS</u>				
ASSETS				
Cash and cash equivalents	\$ 1,005,059	\$ 14,123,810	\$ 15,053,451	\$ 75,418
Due from other governments	3,230,451	2,765,647	3,230,451	2,765,647
Total Assets	<u>\$ 4,235,510</u>	<u>\$ 16,889,457</u>	<u>\$ 18,283,902</u>	<u>\$ 2,841,065</u>
LIABILITIES				
Accounts payable	\$ 100,986	\$ 82,741	\$ 100,986	\$ 82,741
Due to other governments	4,134,524	16,806,716	18,182,916	2,758,324
Total Liabilities	<u>\$ 4,235,510</u>	<u>\$ 16,889,457</u>	<u>\$ 18,283,902</u>	<u>\$ 2,841,065</u>

MACON/PIATT COUNTIES
 REGIONAL OFFICE OF EDUCATION #39
 SCHEDULE OF DISBURSEMENTS TO
 SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 DISTRIBUTIVE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Heartland Region</u>	<u>ROE #39</u>	<u>Total</u>
General State Aid	\$ -	\$ 839,126	\$ 839,126
Career & Technical Ed Imp	885,910	-	885,910
Agricultural Education	589	-	589
State Free Breakfast & Lunch	-	302	302
School Bus Driver Training	-	1,140	1,140
Truants Alternative Optional Education	-	252,671	252,671
Regional Safe Schools	-	90,583	90,583
Early Childhood - Block Grant	-	968,841	968,841
School Improvement - Operations	-	28,820	28,820
Federal Lunch	-	7,293	7,293
Federal Breakfast	-	4,056	4,056
VE Perkins Title IIC Sec	221,593	-	221,593
Title II - Teacher Quality	-	2,520	2,520
	<hr/>	<hr/>	<hr/>
TOTAL	<u>\$ 1,108,092</u>	<u>\$ 2,195,352</u>	<u>\$ 3,303,444</u>